



HANGA-ARO-RAU


**Manufacturing, Engineering
and Logistics**

Workforce Development Council


PŪRONGO Ā-TAU

ANNUAL REPORT

2022-23



Me mātau ki ngā whetū i mua i te haerenga



Before you set forth on a journey,
be sure you know the stars.



Te Ara Kaumoana

Wayfinding skills will keep us on course

The metaphor we choose to frame the journey of Hanga-Aro-Rau with our industries is traditional Polynesian wayfinding (navigation).

Aotearoa was founded using skills and knowledge passed down through generations and allowed Polynesian tūpuna (ancestors) to achieve extraordinary feats, navigate the oceans on double-hulled waka, and eventually settle Polynesia. This required courage, innovation, science, technological advances and an unwavering belief in their people.

Hanga-Aro-Rau will require these same attributes on our journey of transformation, as we, too, imagine the possibilities beyond the horizon and call them to us.

This 2022-23 Annual Report was endorsed by the Industry Stakeholder Group and Hanga-Aro-Rau Council on 27 October 2023.

The Hanga-Aro-Rau Council, Executive Leadership Team and kaimahi would like to acknowledge all the stakeholders and groups that have contributed to this year's mahi to further our journey of system transformation for our Workforce Development Council. Your support and endorsement will enable us to transform vocational education collectively and collaboratively in Aotearoa.

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Pae Urungi Kōrero

Table of contents

Te Ara Kaumoana Wayfinding skills will keep us on course	3
Anei mātou o Hanga-Aro-Rau About Hanga-Aro-Rau	6
He tirohanga whānui Hanga-Aro-Rau at a glance	7
Ngā whakatutukitanga Hanga-Aro-Rau 2022-2023 milestones	8
Tā ngā Heamana pūrongo Co-chairs Report	14
Tā te Tumu Whakarae me te Tumu Whakarae Tuarua pūrongo Chief Executive and Deputy Chief Executive Report	16
Te Rūnanga Whakahaere Our Governing Council	18
Te Tiriti o Waitangi Honouring Te Tiriti of Waitangi	24
He kī taurangi Letter of expectation	27
Ngā hui whakaruruhau Council and Audit, Finance and Risk Committee meetings attended	28
Te Au Awenga Industry Stakeholder Group	30
Ngā Tumu Whakahaere Our Executive Leadership Team	32
Kaimahi Our staff	35
He Mahere Moana Our statement of strategic direction	36
Ngā Takere o te Waka Strategic planning framework	40
He Kāpehu Whetū Our compass 2023 – 2028	42
Ngā Pou Strategic pillars	43
Kia ū ki te ara Our values	43
Ngā Tautāwhi ā-Kiwa Pacific Workforce Development	44
Ngā kupu tohutohu a ngāi ahumahi Industry guidance for our mahi	45
Ngā kaupapa herenga mahi Working with the broader ecosystem	46
Ngā haepapa mahi Our functions	56
Tirohanga whāiti Our priorities and operating context	62
He Tauākī Tutukinga Mahi Statement of Service Performance 2022/23	79
He Tauākī Pūtea Financial statements	85



He tirohanga whānui Hanga-Aro-Rau at a glance

Hanga-Aro-Rau proudly launched our waka on 04 October 2021 and began to rere (sail) towards our horizon of a transformed vocational education system in Aotearoa. Guided by our governing Council and Industry Stakeholder Group (ISG), the Hanga-Aro-Rau rangatira and kaimahi have developed connections, collaborations, systems and processes to build a robust organisational cadence.

In our first full year of operation, we have formally engaged with more than 2,000 stakeholders, including Māori industry, iwi, hapū, employers,

learners, unions, associations and providers across more than 70 sectors. We are strengthening how we honour Te Tiriti o Waitangi through the development of a Māori Workforce Development Strategy and an internal cultural capability programme, we have developed a Pacific Peoples Workforce Development Strategy, we have conducted in-depth research and industry analysis, and we have invested in the kaimahi courageously paddling our waka. We are delighted to share the highlights of our mahi from 01 July 2022 to 30 June 2023.



We are the standard-setting body for:

217 qualifications **73** sectors
3846 unit standards



We serve:

More than **105,000** businesses
employing more than **650,000** people



We have reviewed:

41 qualifications
493 unit standards



We held:

Industry summits for approximately
500 stakeholders



We are strengthening:

Our commitment to **Te Tiriti o Waitangi** by commencing the development of a Māori and a Pacific peoples workforce development strategy and an internal cultural capability programme



We completed:

The *Post-COVID-19 Workforce Development Needs in New Zealand's Manufacturing and Engineering Sectors report* and the *Workforce Development Needs in New Zealand's Logistics Sector report* in collaboration with Deloitte Research



We grew:

To employ **57** kaimahi. This year we continued to grow, particularly in the provider engagement team and broader engagement teams. We created three new roles centred on Pacific peoples workforce development and engagement and expect these to be filled by the end of 2023.



We engaged with:

Thousands of stakeholders and partners including Māori industry, iwi, hapū, employers, learners, unions, associations and providers across more than
70 sectors

Anei mātou o Hanga-Aro-Rau About Hanga-Aro-Rau

Who we are

We are one of six Workforce Development Councils (WDCs), collectively known as Ohu Ahumahi, established on 04 October 2021. Our role is to ensure the vocational education system meets industry needs and to give a stronger voice to Māori business and iwi development.

Our purpose

Our purpose is to provide the manufacturing, engineering and logistics industries we represent with a strong voice in making the workforce of Aotearoa fit for today and the future, while honouring Te Tiriti o Waitangi and supporting Māori-Crown relations.

Our mahi

We work with industry and employers to understand the skills that are needed to support a more productive, sustainable, equitable, high-wage economy that lifts the skills of all people in Aotearoa to enable greater social mobility. We share this knowledge with our education and training provider partners, who create learning programmes that give all people relevant skills to address future workforce needs.

In consultation with our many partners, we also lead the development of new industry qualifications and the review of current qualifications, set industry standards and quality assure training provision against industry standards. Where appropriate, we will set and help with capstone assessments at the end of a qualification. We also endorse vocational education programmes prior to them being approved by the New Zealand Qualifications Authority (NZQA).

Ngā whakatutukitanga

Hanga-Aro-Rau 2022-2023 milestones

August 2022

- ★ Held our first-ever all kaimahi kanohi ki te kanohi wānanga with a focus on whakawhanaungatanga and developing our draft Statement of Strategic Direction (SSD)
- ★ Signed Memorandum of Understanding with ConCOVE Tūhura

October

- ★ Completed our Tertiary Education Commission (TEC)-funded research to understand the impact of COVID-19 on the manufacturing and engineering sectors in Aotearoa

December

- ★ Submitted our draft Statement of Strategic Direction to then Education Minister Hipkins, which included the development of four strategic pou (Industry Voice, Te Tiriti o Waitangi, Equity, and Sustainability)
- ★ Completed our inaugural audit and received an unqualified opinion

November

- ★ Hosted our first-ever Hanga-Aro-Rau summit: Mānuka takoto, kaweake – Rising to the challenge, with 400+ industry attendees
- ★ Created a Māori employer database
- ★ Completed our first-ever internal engagement survey

September

- ★ Inaugural Hanga-Aro-Rau Council and Industry Stakeholder Group wānanga

January

- ★ Published our first-ever Annual Report
- ★ Completed the literature review of supporting Pacific peoples in mainstream workplaces in Aotearoa
- ★ Established an Emergency response sub-committee in response to North Island floods

February

- ★ Supported the opening of an office in Kirikiriroa
- ★ Established National Industry Advisory Groups (NIAGs), with meetings commencing from May 2023

March

- ★ ISG met to confirm strategic and operational documents, Council appointments and performance evaluation process

April

- ★ Completed and submitted our 2023-2024 Operational Plan to TEC
- ★ Submitted and published Advice for 2024 Investment to TEC
- ★ Created interim mātauranga Māori and Māori data sovereignty policies

May

- ★ Commenced an independent evaluation of Council performance, led by our ISG
- ★ Published our inaugural Statement of Strategic Direction 2023-28

- ★ Implemented our internal performance review process

- ★ Signed Memorandum of Collaboration with New Zealand Defence Force and the other members of ngā Ohu Ahumahi

- ★ Completed National External Moderation report for NZQA

June

- ★ Completed action plans for women in industry, people with disabilities, and the workforce development priorities for manufacturing, engineering and logistics sectors

- ★ Creation of individual sector workforce development profiles

- ★ ISG appointed its first two Council members and completes its first-ever performance evaluation of the Council



Ngaī ahumahi

Our industries

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council has responsibility for ensuring the vocational education system in New Zealand is meeting the current and future needs of the manufacturing, engineering and logistics industries.

We play a fundamental role in a unified vocational education system that brings together industry and educators to ensure the workforce in Aotearoa is fit for today's needs and tomorrow's expectations.

Sectors by Manufacturing, Engineering and Logistics

Manufacturing

- Alcohol Manufacturing (Excluding Wine)
- Aluminium Joinery
- Apparel
- Automotive Parts and Wholesaling
- Baking
- Binding and Finishing
- Boat Building and Maintenance
- Chemical Manufacturing
- Dairy Processing
- Direct Mail Production
- Energy and Chemical Plant Operations
- Fibreboard and Paper Packaging
- Food and Beverage Manufacturing
- Furniture Manufacturing
- General Manufacturing
- Glass Processing
- Industrial Textiles
- Kitchen Joinery
- Marine Technology
- Meat Processing
- Metal Manufacturing
- Motor Vehicle Manufacturing (Coachbuilding)
- Non-Metallic Mineral Manufacturing
- Offsite Manufacturing
- Petroleum and Coal Manufacturing
- Pharmaceutical and Medicinal Product Manufacturing
- Plastics, Polymer and Rubber Product Manufacturing
- Primary Processing Support
- Print
- Protective Coatings
- Pulp and Paper
- Retail Meat/Butchery
- Signmaking
- Solid Wood Manufacturing
- Textiles
- Tissue Converting
- Wood Panel and Plywood Manufacturing

Engineering

- Automotive Engineering
- Automotive Reglazing
- Collision Repair
- Composites Technology
- Dairy Systems Engineering
- Engineering Design and Consulting Services
- Engineering Fabrication
- Extractives
- Extractives - Blasting
- Extractives - Drilling
- Fire Protection
- Irrigation
- Laundry and Dry-Cleaning Services
- Locksmithing
- Maintenance Engineering
- Mechanical Building Services
- Mechanical Engineering
- Motorcycle Engineering
- Outdoor Power Equipment
- Refrigeration and Airconditioning
- Welding

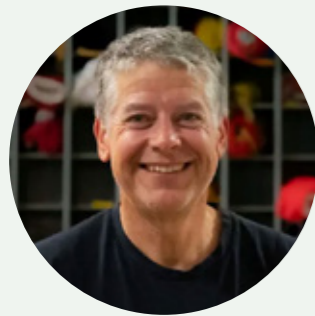
Logistics

- Commercial Road Transport
- Customs and Freight Support Services
- Digital Infrastructure
- Driving Skills
- Forklift
- Maritime and Marina Operations
- Postal and Courier Services
- Rail Transport
- Resource Recovery and Efficiency
- Road Passenger Services
- Stevedoring and Ports
- Supply Chain
- Warehousing and Storage
- Water Freight and Passenger Transport



Te reo ahumahi

Industry voices



Employer Voice

Making a splash with practical skipper training

Milo Coldren of Skipper Training New Zealand is providing hands-on learning opportunities for emerging maritime professionals in Nelson.



Milo has spent most of his life on the water, with a maritime career that spans oceans and decades. He arrived in Aotearoa by boat from Canada in 2002 and has spent the last 20 years finding creative ways to support New Zealand's next generation of seafarers.

"I have had the opportunity to teach in New Zealand and internationally," Milo says. "Over time, I realised that traditional teaching models weren't serving all students, particularly those who require practical, hands-on training or who may have learning differences like dyslexia."

One student in particular inspired Milo to explore better ways to support maritime learners. "In my previous teaching role at a polytech, I had a student called Joel with dyslexia who just couldn't get through his qualification. The education system as designed simply wasn't set up to support his needs. Because of that, when Joel's dad became unwell and ultimately passed away, Joel had to hire another skipper to take him out on the boat he'd worked on with his dad for his whole life.

"Maritime professionals are often very hands-on; the traditional education model of five months of self-directed online learning followed by a fixed classroom setting won't necessarily work for all of them. Joel's experience in the polytech system inspired me to design a course for people like him: students who are overcoming learning challenges, and aspiring marine professionals who need a more practical approach to their training."

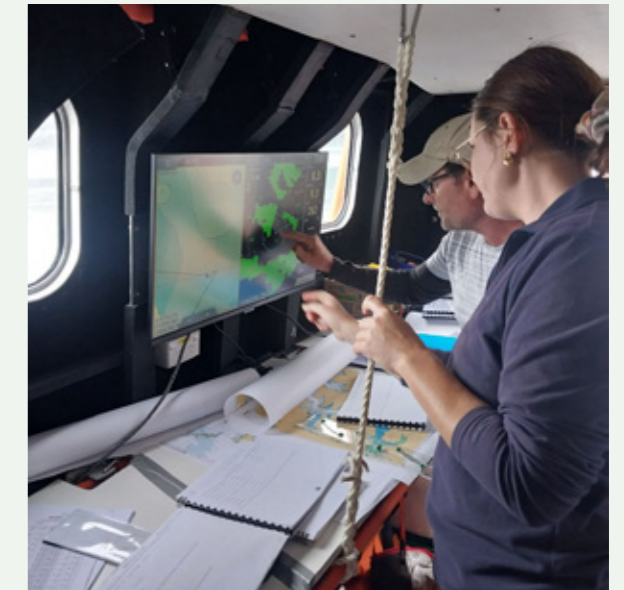
In 2020, Milo founded Skipper Training NZ with Ruby Needham to provide holistic maritime training that combines theory with practical assessments.

"We bought a British rescue boat which we now use as a training tool in combination with classroom learning. This approach enables us to serve a much wider selection of learners."

"Ruby's role is to ensure students are fully engaged; her background as an early childhood educator, superyacht crew and skipper is a perfect fit for helping learners, particularly learners who are less comfortable in the traditional classroom." Together, Milo and Ruby have built a team that is passionate about efficient practical training that meets the needs of the learners.

"The positive effects that we've seen in boosting learner confidence are far-reaching," Milo says. "Some of these people have had really negative experiences throughout school, or have never been able to complete a course. We recently had a student, Vaughan, who received his first qualification at age 51. Vaughan is a photographic learner who has all the skills to succeed but he struggled with traditional education due to ADHD, dyslexia and literacy challenges. He burst into tears when he passed his Skipper Restricted Limits (SRL), and he's now applying to be a tender operator with a race team."

The maritime industry has been calling out to the education sector for a long time, Milo says, as they work to address a critical shortage of crew and skippers. "The industry is struggling to meet demand, and there has been a lot of fatigue.



"When I told colleagues what I intended to do with Skipper Training NZ, many said that it wasn't worth trying. But Hanga-Aro-Rau really heard us. I can't express how big of an impression it's made having their team working alongside the industry with a deliberate and intentional approach. They've really put their feet to the pavement."

Milo and his team are now working on micro-credentials to make their training more affordable for learners. "The current funding model rewards longer courses; we need to better incentivise short-target training that meets the competencies set by regulators, while also valuing the learner's time and the industry's needs. We're always exploring ways to be more creative in our delivery and make our learning opportunities more accessible. The big-picture vision is for a marine education system that's driven by the needs of industry and meets the competencies of the regulator in a timeframe and structure that best supports learners."

Tā ngā Heamana pūrongo Co-chairs Report



Tēnā koutou katoa.

It is our privilege to share with you the 2022-23 Hanga-Aro-Rau Annual Report which details the extensive work we have undertaken in this financial year. We are thrilled to see our waka gaining momentum with the support of a full staff contingent, an established structure, and robust administration processes in place.

As we have transitioned beyond our establishment phase, we are proud to see the culture and identity that has been built within Hanga-Aro-Rau through our shared commitment to transformation of the vocational education system. We are establishing strong relationships with industry through initiatives including the creation of our Industry Stakeholder Group (ISG) and National Industry Advisory Groups (NIAGs), and are featuring industry voices throughout our governance systems and organisational strategy.

As detailed in our Letter of Expectation, we will continue to deliver on our commitment to reflect industry voice in all that we do, advocate for them in the education ecosystem, support their aspirations, and prepare them for the future.



We are excited to have been reappointed to the Council and elected as co-chairs again this year in the inaugural appointment process overseen by the ISG. We were also grateful to have the ISG's support in a performance evaluation of our governing Council. By empowering the ISG to lead these processes, we give our industries an even greater voice and a meaningful opportunity to bring their own views and shape the future for Hanga-Aro-Rau.

In the process of creating our Statement of Strategic Direction, we determined the four strategic pou (pillars) which help to guide our waka as we sail forward towards transformation, always aiming for the horizon but acknowledging that it will remain just out of reach. As we look ahead, we are eager to define what true transformation looks like for the industries we serve, develop pathways for our own continuous evolution, and create systems for us to continually meet the challenges faced by our industries.

Ahumahi Strong Industry Voice

Industry is what provides the horizons for us to navigate toward. It is our role to ensure that our industries and those they employ and serve have a strong voice in shaping and influencing their vocational educational needs and the broader vocational education ecosystem. This will ensure industry has a workforce that is fit for today and evolving for tomorrow.

We do this through our engagement, research and functional mahi such as qualification development, programme endorsement, moderation and advice. To us, success is our industries and their people endorsing that we are their advocates to transform the vocational education ecosystem, supporting their aspirations and preparing them for the future.

Te Tiriti o Waitangi Honor Te Tiriti o Waitangi

As a Te Tiriti o Waitangi-based organisation, Hanga-Aro-Rau is committed to reimagining vocational education by leading and building a vocational education system that honours Te Tiriti o Waitangi and supports Māori-Crown relations.

We see our role as a leader for skills and workforce leadership, as well as a connector and collaborator across the broader vocational education and labour market ecosystem to ensure Māori thrive.

Ka Tika Equitable Outcomes

We seek to contribute to equity in the employment and education systems, as well as our own organisational context. We recognise that a steadfast commitment to equity is essential to reducing inequities across these domains.

Key to the success of our equity programme is understanding equity in Aotearoa as the pursuit of social justice for all people, and as a critical part of the Crown's obligation to Māori through Te Tiriti o Waitangi. We recognise our dual accountability to address the significant inequities in education and employment for Māori, Pacific peoples and tāngata whaikaha. In addition, our industries have advised us to prioritise the needs of women and older workers as employers seek to create diverse and sustainable workforces.

Te Taiao Hardwire Sustainability

We are committed to contributing to the creation of a sustainable, globally engaged and adaptive Aotearoa. We recognise that sustainability is the balanced integration of economic performance, social inclusiveness and environmental resilience, to the benefit of current and future generations.

Our research in 2023-24 will continue to focus on sustainable business practices, including the circular economy, and identify how we can evolve our qualifications and standards to include a sustainability lens.

Lastly, we would like to thank each one of our kaimahi, partners and stakeholders who have courageously committed to transforming the vocational education system in Aotearoa. With your collaboration and support, we will ensure our industries and their current and future workforces - particularly those that have been traditionally underrepresented and underserved - have the capability and capacity to propel them forward.

Ngā manaakitanga,



Dr Troy Coyle
Co-chair



Renata Hakiwai
Co-chair



Tā te Tumu Whakarae me te Tumu Whakarae Tuarua pūrongo

Chief Executive and Deputy Chief Executive Report



He kōrero nā ngā Tumu Whakarae o Hanga-Aro-Rau | Foreword from our leaders

We are immensely grateful for the engagement and direction provided by our multiple industry stakeholders this year. They have told us definitively that they want a seat at the decision-making table and we have worked hard to set up and support structures that will enable this.

This engagement has resulted in the development of nine new vocational education products that specifically target more niche sectors and businesses that have been historically underserved by previous systems. This has resulted in a deeper understanding of the workforce development challenges faced by our sectors and a steadfast

commitment by all of our stakeholders to do things differently to better address their challenges and ensure sustainable and thriving workforces now and for the future.

The Industry Stakeholder Group and National Industry Advisory Groups are influential guides to ensure the workforce development needs of our sectors are central to transforming the vocational education system. These fundamental relationships bring together and amplify the collective voice of our industries. In particular, we are recognising industry's need for:

- More practical and hands-on training opportunities
- Better provision for people with learning difficulties
- Training and support around our changing workplaces and new technologies
- Better pathways and support for underserved groups including Māori, Pacific peoples, women, older/younger workers, and people with disabilities.

We are taking these reflections on board, using industry voices to guide the application of our functions and to influence system change.

Hanga-Aro-Rau is committed to providing improved opportunities and equitable outcomes for all people in the industries we serve to reach their full potential and capabilities, including those who have been traditionally underserved by the education system. We are working closely with employers to create safe, inclusive and welcoming workplaces for Māori, Pacific peoples, Tāngata Whaikaha (disabled and neurodiverse people), wāhine, and older workers, the latter two groups having been identified by industry - not by our legislative mandate through our Order in Council - as key focus areas. We are guided by our Ka Tika pou to create more equitable spaces and remove barriers for the underserved groups within our industries, increasing their participation and success in education and training.

We have completed two significant pieces of research in the last year: the *Hanga-Aro-Rau post-COVID-19 workforce development needs in New Zealand's manufacturing and engineering sectors* report and the *Hanga-Aro-Rau workforce development needs in New Zealand's logistics sector* report. The key purpose of the research in both cases was to examine how vocational education and training can assist our industries to maintain and upskill current workforces.

These reports highlighted some confronting behaviours and trends within our industries that have spurred us on to greater action. In particular, the research noted that the COVID-19 pandemic has exacerbated existing inequalities for women, Māori and Pacific peoples, with an industry skills gap that is predicted to continue to widen. Additionally, Pacific peoples were found to be poorly represented in senior and management roles and a critical need was identified to clarify and inform about learning development opportunities, progression and promotion pathways.

We acknowledge that we need to do differently and we need to do better, both as an organisation and as an entire ecosystem. We enthusiastically accept the challenge of bringing this research to life in very practical ways that will address the skills and labour challenges faced by all of our sectors. This will be a core focus for 2023-24.

In December 2022 and April of 2023, we delivered a kete of, at times, challenging recommendations to TEC for the year ahead, informed by extensive research, engagement, and testing to identify key challenges that our industries face and want resolved by the vocational education system.

Given the diverse range of sectors we serve, we acknowledge the challenge we have in ensuring all voices are represented. To do this, we test with our Industry Stakeholder Group and our National Advisory Groups to confirm priorities.

To ensure the robustness of our recommendations to TEC, we use an evidence-based approach to ensure the requirements of industry are confidently backed by qualitative and quantitative data. We then embed this advice by engaging directly with our education and training provider partners to support them with future planning and aligning with industry needs.

We have evolved significantly as an organisation since our establishment on 04 October 2021. This evolution has brought a greater understanding of our role and purpose, and the transformational impact our mahi has. Our priority in the year from July 2022 to June 2023 has been to quickly and deeply connect with industry and to meet the needs they have expressed to us. We are immensely proud of our dedicated and courageous tīma who have ensured industry is central to everything we do. Our tīma are the enablers of transformation and we look forward to our next horizon of 2023-24.



Phil Alexander-Crawford
Chief Executive



Samantha McNaughton
Deputy Chief Executive

Te Rūnanga Whakahaere

Our Governing Council



Renata Hakiwai | Co-chair

Renata Hakiwai (Ngāti Kahungunu, Rongomaiwahine, Tūwharetoa, Waikato Tainui, Ngāti Porou) is the Managing Director of HTK Group, a purpose-driven organisation established in 2015 to meet the growing demand for Māori and indigenous professional services. Mr Hakiwai has more than 13 years of experience in senior executive and leadership positions alongside being a successful investor and entrepreneur. He sits on the boards of a range of organisations which include Crown, commercial, iwi, post-settlement, not-for-profit and start-up entities.

Mr Hakiwai was previously Co-chair of the interim Establishment Board of Hanga-Aro-Rau. He has a passion for Māori economic development with a focus on Māori business, innovation, enterprise, workforce development, and the future of work. He has deep connections with the communities in which he serves and sees himself as an enabler of people and an accelerator for Māori and indigenous development.



Dr Troy Coyle | Co-chair

Dr Troy Coyle is the Chief Executive Officer of NZ Heavy Engineering Research Association (HERA). She has more than twenty years of experience in the engineering and manufacturing sectors in both Aotearoa and Australia, including senior roles with New Zealand Steel Ltd, Blue Scope Steel Ltd, and the University of Wollongong.

Dr Coyle was previously the Co-chair of the interim Establishment Board and then the Establishment Board of Hanga-Aro-Rau. She has a portfolio of governance roles which include being a Director of the Sustainable Steel Council, Construction Innovation Council, HERA Cert, and a member of MBIE's Building Advisory Panel.



Stuart Lawrence

Stuart Lawrence (ko Uenuku te Iwi) is Director – Programme Kaitautoko at Whatukura Ltd, a boutique consultancy firm where he has led a number of workforce development, pastoral care and community projects focusing on Māori and Pasifika development. He previously spent 13 years as National Manager – Māori for The Skills Organisation Industry Training Organisation.

Mr Lawrence holds a number of governance positions including being Chair of Māori Pasifika Trades Training (Tāmaki), an advisory board member of Project Retrain – Increasing Gender Equity, and a committee member for a number of community organisations.



Nick Leggett

Nick Leggett is the Chief Executive of Infrastructure New Zealand. He has previously held a number of executive-level positions including as the Chief Executive of the Road Transport Forum. He was previously Mayor of Porirua City from 2010-2016.

Mr Leggett is a Director of WRC Holdings Ltd and the Chair of the Hutt Mana Charitable Trust. He has previously held a range of governance positions including being a Director of MITO (the industry training organisation for the motor, transport and contracting industry), Chair of Spark Foundation, Chair of Wellington Regional Emergency Management Group, and a member of Capital and Coast District Health Board. He is an outspoken advocate for inclusive industries that attract a sustainable pipeline of passionate people to power our nation's workforce into the future.



Rachel Mackintosh

Rachel Mackintosh is Assistant National Secretary for E tū, the largest private sector union in Aotearoa. She has more than 25 years of experience in unions and has previously held a number of senior roles with E tū and EPMU.

Ms Mackintosh is the Vice President of the New Zealand Council of Trade Unions and is Co-chair of the Advanced Manufacturing Industry Transformation Plan. She has considerable previous experience with governance of tertiary education organisations, being a former board member of the Building and Construction Industry Training Organisation (BCITO) and of the Plastics and Materials Processing Industry Training Organisation (PaMPITO).



Jerome Mika

Jerome Mika is a Community and Business Development Lead at The Cause Collective, and also heads his own business consultancy in South Auckland. He has previously held a number of roles focusing on engaging with Pacific peoples, Māori and underserved communities.

Mr Mika has led and been part of great teams in both the corporate and not-for-profit sectors. He has worked in governance roles for the past few years and also has considerable experience working in unions in both Aotearoa and Samoa through roles at the Dairy Workers Union, Samoa First Union, First Union and EPMU. Mr Mika has been a Business Director for Ogilvy and Mather Marketing agency and was a senior consultant for a Pacific health provider during the COVID-19 response to support communities and influence Government direction and response to the pandemic.



Mark O'Grady

Mark O'Grady is a Director of Print NZ, the National Print Industry Association. He has previously owned and was Managing Director of Excel Digital Ltd, one of the largest cut-sheet digital print operations in Aotearoa, and held senior executive roles at Wool Equities Ltd, New Zealand Wool Board, and NZ Meteorological Service.

Mr O'Grady has extensive experience as a director with organisations in the manufacturing and technology sectors and with vocational education, having been involved in the targeted review of qualifications, the manufacturer and supplier of training resources for almost all industry training organisations, as the major sponsor of the "Got a Trade: Got it Made" campaign, and as a judge at the NZ Apprentice of the Year awards. He was also a member of the Ministerial Science Task Force that led to the restructuring of the Government science sector and the establishment of the Crown Research Institutes (CRIs).



Maea Pivac

Maea Pivac (Ngā Puhi, Ngāti Whātua, Ngāti Wai and Ngāti Hine) has extensive experience in vocational education, both in Aotearoa and Australia. So far in her 25-year + career, she has worked across the PTE, ITO and ITP sectors, and in industry in a large Northland company with a strong and enduring commitment to industry training.

Ms Pivac is the Managing Director of Tai Tokerau Trades Training, an educational consultancy specialising in vocational education and industry capability development in Northland. She is also director of a small business advisory company called People Weavers Raranga Tangata Ltd and of Kia Mauria te Pono Ltd, a start-up company delivering workshops and services that are embedded in the values which have guided the hearts and minds of Iwi Māori for generations: I runga I te Tika, i te Pono me te Aroha.



Gary Sue

Gary Sue (Ngāti Ruanui, Ngāti Maru, Te Ātiawa, Ngāruahine) has a long-established career across the construction and infrastructure sectors and has extensive experience within vocational education in Aotearoa. He spent more than a decade in roles with Downer NZ and BCITO, and has now found his passion for education and positive impact.

Mr Sue has been with Kāinga Ora since October 2021 as the Principal Advisor Māori in the Greater Wellington region, utilising his experience and knowledge of Te Ao Māori to establish genuine partnerships with iwi, hapū and rōpū Māori. He serves as a Justice of the Peace and current president of the Hutt Valley and Districts JP Association alongside governance roles across various non-profit organisations.

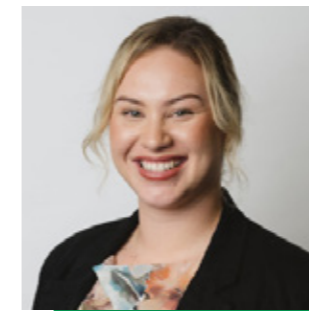
Mr Sue seeks to build resilience in Māori and Pacific youth through education, to remove barriers, and to make the system more accessible and beneficial to learners.



Sarah Benikowsky

Sarah Benikowsky joined our Council as a Governance Associate in 2023. With her Bachelor of Communication Design and her studies through the chartered associate of Governance NZ, Ms Benikowsky brings design thinking into strategy and governance. She has extensive experience in information management, technology and archives, both hands-on and strategic, across local government and the arts sector.

Ms Benikowsky is an active member of her community and a strong advocate for those who are neurodiverse. She is a member of the Northland Local Advisory Committee for Fire and Emergency NZ, guardian/kaitiaki of Alexander Turnbull Library, and has served on the Disability Advisory Group for Whangārei District Council.



Teresa Poli

Teresa Poli has worked in construction and infrastructure across Australia and Aotearoa. Ms Poli holds a Bachelor of Engineering (Hons), majoring in Environmental Engineering from the University of Waikato, and she is currently completing her Masters of Engineering, where her thesis investigates how Māori education can be incorporated into the engineering curriculum. Her goal is to provide engineers with some knowledge of Māori design principles, Te Tiriti o Waitangi, iwi engagement practices, Te Ao Māori, mātauranga Māori, and kaitiakitanga.

Ms Poli is passionate about promoting and supporting rangatahi, particularly Māori and wāhine, in construction and infrastructure roles. She brings her passion for broader social and environmental outcomes associated with the industry, advocating for a stronger Māori voice within the engineering, education, construction and infrastructure sectors.

Te Kāhui Ahumahi



Te Kāhui Ahumahi are the Māori Council members from all WDC Councils who work together to progress and advocate for Māori and Ohu Ahumahi interests at a governance (mana-to-mana) level. Hanga-Aro-Rau uses the strength of the Kāhui to test our thinking. Matua Turi Ngatai, through his chairing of our Industry Stakeholder Group, offers input on the mahi of our organisation which has been invaluable. As well as bringing existing Māori voice and experience, Te Kāhui Ahumahi has been increasingly active in linking Ohu Ahumahi with iwi leadership and key Māori industry and government groups. This culminated in a two-day wānanga with various hapū, iwi, industry and providers in Tai Tokerau in June 2023.

The Māori and Pacific Trade Training National Consortia (MPTT), Te Kāhui Ahumahi, and the Pacific Fono met to discuss the future of Māori and Pacific vocational education.

Key points of discussion at this hui included:

- Value proposition - what is the unique offering provided by MPTT
- Alignment - who are our natural partners
- National Collective - what could this look like.

This kōrero and whakaaro were insightful, enlightening and robust, and signalled a shared vision to support whānau and aiga to succeed and become leaders in the trades.

Te reo ahumahi

Industry voices



Employer Voice

Attracting talent to electromagnet manufacturing

Buckley Systems' Chief People Officer, Dion Orbell, is supporting manufacturing professionals with flexible work and tailored on-the-job training.



“You could describe us as a 45-year-old startup,” Dion says. “We’re a learning business and this shows through all of our actions. We’re consistent and intentional in our approach to developing our people over time.”

Auckland-based Buckley Systems now employs nearly 600 staff and is the leading supplier of magnets in the semiconductor industry, Dion says. “The chips and screens in most of the devices that you own have been touched by a Buckley’s magnet as part of the manufacturing process.”

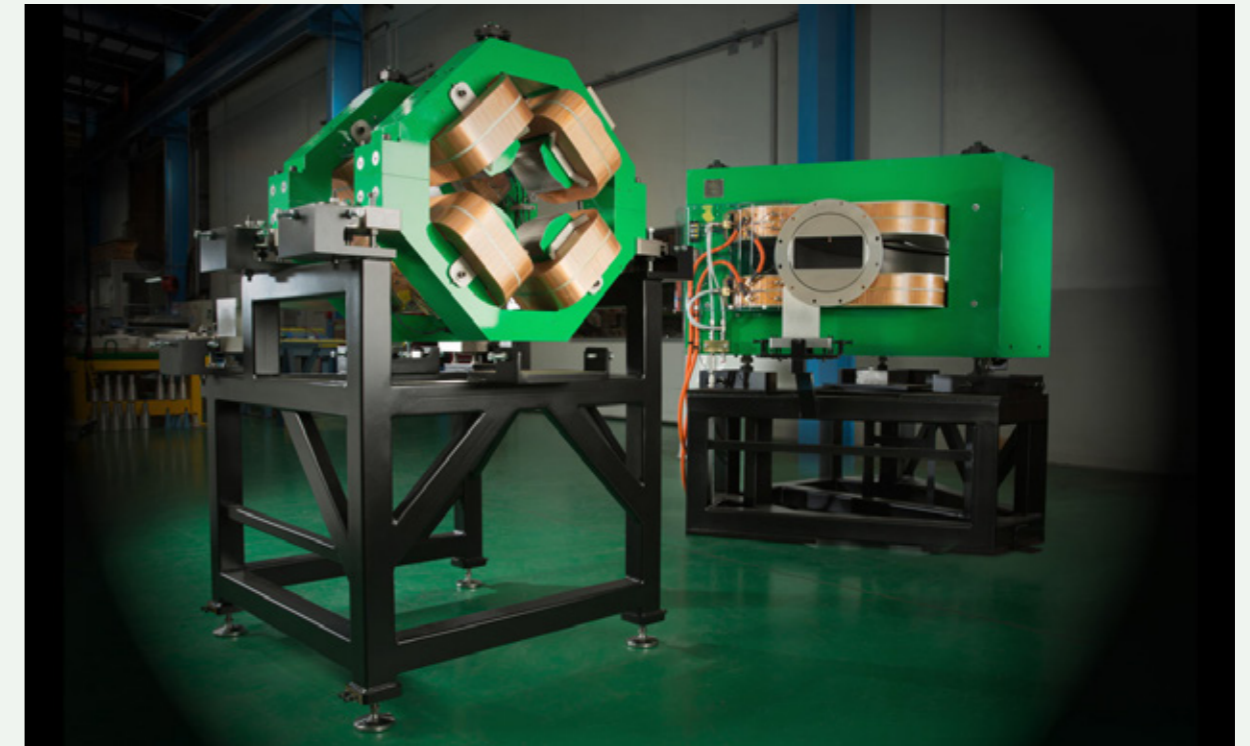
A big part of their success, Dion says, is due to a robust and supportive apprenticeship programme. “Our founder has been deeply committed to providing apprenticeships since he finished his own more than 60 years ago. Currently, we have 25 apprentices across a number of specialist areas. We accept adult learners as well as people coming straight out of school. Then we work alongside them to provide good support, good instructors and multiple streams of development.”

Dion says that, as part of a targeted campaign to bring more women into the business, a wahine Māori apprentice named Alisha came on as a fabricator and welder.

“Alisha spent more than three years working with us and then became pregnant with her first child. She was so fantastic in her role that we were sorry to see her go on maternity leave, but we made sure she knew we were here to support her when she was ready to come back. When she did, we worked closely with her to create a working environment that would support her growing whānau. Now, she works shorter hours so that she can beat the commute traffic and fewer days so that she can have long weekends at home with her baby.”



Buckley Systems Apprentice Alisha Taupo



National Laboratory Electromagnets

Buckley Systems also provides additional support for kaimahi for whom English is a second language, Dion says.

“We have close to 200 staff who are non-native English speakers. We’ve found that there are often no direct translations for safety-focused terminology that we take for granted like 'hazardous' or 'carcinogenic'.”

This realisation prompted Buckley Systems to develop English as a Second Language (ESL) courses specifically tailored to manufacturing safety which, Dion says, they have been running for several years.

“We did some reflection over the pandemic period and noted that several staff who had been with us for years had never received formal qualifications for their work in specialised areas such as crane operations and slinging. We worked with a partner to target our ESL courses to these specific qualifications, enabling those staff to earn their accreditation. For many, this was the first formal

qualification they had ever received. We were already confident in their ability to do the work; now we just have that extra layer of comfort knowing that they have the qualifications to back it up.”

Dion is excited to see how Hanga-Aro-Rau continues to develop and support the manufacturing industry. “We’re really starting to see how the WDCs are providing a voice for business and learners; I know it’s taken a lot of work to get this far. I look forward to seeing how the collaboration evolves between Hanga-Aro-Rau, TEC and industry.

“I am also eager to upskill digital awareness across demographics and help change the narrative around manufacturing as a viable career option.

“Not everyone is going to go to university or become a programmer; we need to ramp up the drive for apprenticeship programmes and show potential candidates that they can find great career opportunities with ample pathways for progression.”



Te Tiriti o Waitangi

Honouring Te Tiriti of Waitangi

There are clear expectations from Māori that the Crown needs to do much more to realise, understand, know and work in partnership with Māori to support wellbeing.

Accordingly, honouring Te Tiriti o Waitangi is one of our four strategic pillars. For Hanga-Aro-Rau, in a practical sense, this is Te Tiriti o Waitangi partners informing how our vocational system can be improved for Māori. Through partnership, we help meet the needs of Māori, iwi and hapū, businesses, learners and their whānau. Through this approach, we are also supporting Māori-Crown relations for the benefit of our wider purpose: to build a well-equipped kaimahi that will enable us to bring the aspirations for our sectors closer in order to develop a sustainable and highly skilled workforce.

Our engagement has been purposeful and is based upon:

Mā te rongō, ka mōhio,
Through awareness comes realisation.

Mā te mōhio, ka mārāma,
Through realisation comes understanding.

Mā te mārāma, ka mātau,
Through understanding comes knowing.

The task is for us to support Māori industry and to act as stewards for change within non-Māori businesses to raise their capability to remove barriers to Māori becoming more skilled, better paid and holding positions of management and ownership.

Over the last year, we have continued to build a platform and provide the conditions for Hanga-Aro-Rau and our kaimahi to make contributions of consequence to our duties under Te Tiriti o Waitangi and Māori-Crown relations. This has included continually testing our Te Tiriti o Waitangi framework (opposite). Testing our thinking and plans continues to be central to how we operate.

Our role is to help develop the Māori workforce – both now and in the future – and we will continue to drive this with our partners. We have had extensive engagement with Māori businesses who have made it clear to us they want to see:

- Whānau-centric learning
- Equal opportunities for work
- Te Ao Māori systems input
- Authentic change
- Valuable training and development.

We have also had the benefit of learning more from the strong Māori voices that exist on many of the RSLGs and the collective voice of the roopu Te Kāhui Ahumahi, both of which are a place for testing our thinking.

Ngā Pou Pillars	1 Kāwanatanga	2 Tino Rangatiranga	3 Mana Ōrite
	Article 1 – Governance	Article 2 – Self-determination	Article 3 – Equity
Whakamāramatanga Definition	Requirement for the Crown to govern and create structures for the benefit of all citizens of Aotearoa	The guarantee of tino rangatiranga which provides for Māori self-determination/ mana motuhake in relation to activities that support the realisation of Māori aspirations	Requirement of the Crown to act, to the fullest extent practicable, to achieve equitable outcomes for Māori This includes ensuring that it, its agents, and its Te Tiriti o Waitangi partners are well informed on the extent and the nature of both Māori outcomes and efforts to achieve equality for Māori
Whakatinanatanga Application	Ensure that robust policies, plans and support are in place to address racism, bias and low expectations that impact learners/workers, kaimahi and their whānau	Māori industry, iwi and hapū are meaningfully integrated in decision making to ensure Māori success as Māori	Ensure Māori voice leads investment and activities for Māori outcomes
Ngā Urupounamu Reflective questions	Do we commit to Te Tiriti o Waitangi in our plans and ask our Māori partners their views on us? Do we identify and analyse gaps/opportunities then plan to improve Māori outcomes? How do we consistently demonstrate quality in our processes and service delivery/ approaches to support Māori outcomes?	Can we demonstrate collaborative partnerships with iwi and hapū and Māori communities? How well do we incorporate reporting and self-review of issues important to Māori into our wider organisational guidance - ensuring we are clear, genuine and timely?	Are our services highly valued by Māori, relevant and demonstrating positive impacts? Do we demonstrate our cognizance of Māori worldview throughout organisational business approaches?



In the last year we have manifested this approach to partnership through these examples:

Constant engagement and consultation

We are committed to creating and holding space for Māori as equal partners, and we invite challenge and questioning to ensure that all of our knowledge-gathering and analysis have sufficient rigour and apply a Māori lens. We have consciously structured our engagement so as to allow these voices, including a direct Māori voice in our Industry Stakeholder Group, Operational Council, National Industry Advisory Groups and a range of focus groups. In doing so, we have used the guidance of the Māori-Crown relations framework of Te Arawhiti – The Office for Māori Crown Relations.

Operating policy

We know mātauranga Māori and Māori data are taonga and should be treated accordingly. To support this, we have developed the Māori Data Sovereignty Policy and the Intellectual Property with an Element of Mātauranga Māori Policy. In tandem, these two key policies provide guidance and direction, and drive the need for us to improve our systems, tools and human capital to be good kaupupuri (caretakers) of these taonga.

Honouring Te Tiriti in our approach to research

We undertake research that looks for practical solutions through insights gathered from those who it is designed to benefit, in this case Māori. We will increasingly look for this applied approach to our research projects. We centre an ethical approach and invite Māori perspectives into discussions from the outset of any exploration.

Culturally equipped to engage-building a stronger workforce

Using the Māori Crown Relations Capability Framework developed by Te Arawhiti as a starting point, we have developed our own set of cultural competencies for our kaimahi:

1. Te reo Māori (Māori language)
2. Tikanga Māori (Māori protocols)
3. Tirohanga Māori (Māori worldview)
4. Te Tiriti o Waitangi.

Externally, we bring this lens to our work with employers in the sectors we serve, 80-90 per cent of whom have signalled a desire for greater cultural competency. We are taking the lead in these conversations to support employers and providers who are already doing good mahi but don't recognise it, and for those who want to better engage with Māori

but are intimidated by that process and don't know where to start. We acknowledge that we must also bring non-Māori with us on this hikoī (journey) to achieve full system transformation.

Tools for our industries to build a stronger workforce

We have taken our learnings and have started developing tools to support greater equity in the sectors we serve. We understand equity in Aotearoa as the pursuit of social justice for all people, and as a critical part of the Crown's obligation to Māori through Te Tiriti o Waitangi. The development of the Defining Equity Report for Kaimahi promotes this dual accountability to address inequities in education and employment for Māori. Over the next 6-12 months, we expect this equity tool will be of most benefit to our industries, who we will support in its adoption with a suite of information, training and resources that will be developed.

**He kī taurangi
Letter of expectation**



In February of 2023, Hanga-Aro-Rau Co-chairs Renata Hakiwai and Dr Troy Coyle presented CE Phil Alexander-Crawford with a letter detailing our expectations for 2023-24 and beyond. The expectations as detailed in this letter are underpinned by our Statement of Strategic Direction, and signal our ongoing intention to reflect industry voice in all that we do, advocate for them in the education ecosystem, support their aspirations, and prepare them for the future.

Specifically, this letter pledged a commitment to the following priorities:

- Acting as a strong industry voice
- Giving effect to Te Tiriti o Waitangi
- Achieving equitable outcomes
- Te Taiao: hardwiring sustainability
- Creating a strong operating rhythm
- Transformation
- Delivering on our promises.

We see Hanga-Aro-Rau playing a key role in assisting our industries to prepare for the future through the required workforce development, and we expect to support the building of a productive, circular and inclusive economy that improves the well-being of all New Zealanders.

Ngā hui whakaruruhau

Council and Audit, Finance and Risk Committee meetings attended



Name	Role	Appt date	Term expiry	Audit, Finance and Risk Committee Meetings attended	Council meetings attended	Councillor fees received (gross)
Troy Coyle	Council Co-chair, Remuneration Committee member	21 June 2021 (reappointed 23 June 2023)	30-Jun-25	0	5	\$60,000
Renata Hakiwai	Council Co-chair, Remuneration Committee member	21 June 2 (reappointed 23 June 2023)	30-Jun-26	0	5	\$60,000
Stuart Lawrence	Council member	21 June 2021	20-Jun-24	0	6	\$30,000
Nick Leggett	Council member, Audit, Finance and Risk Committee	21 June 2021	20-Jun-25	2 out of 6, including 1 extra-ordinary meeting	5	\$30,000
Rachel Mackintosh	Council member, Audit, Finance and Risk Committee Member, Remuneration Committee member	21 June 2021	20-Jun-25	5 out of 6, including 1 extra-ordinary meeting	5	\$30,000
Jerome Mika	Council member, Audit, Finance and Risk Committee member	21 June 2021	20-Jun-24	5 out of 6, including 2 extra-ordinary meetings	5	\$30,000
Mark O'Grady	Council member, Audit, Finance and Risk Committee Chair	21 June 2021	20-Jun-24	5 out of 6, including 1 extra-ordinary meeting	4	\$33,000*
Maea Pivac	Council member	17-Jan 2022	13-Dec-23	0	5	\$30,000
Gary Sue	Council member	21-Sep-22	25-Sep-24	0	5	\$30,000**
Sarah Benikowsky	Governance associate	2-May-23	30-Apr-24	0	1	Unpaid***
Teresa Poli	Governance associate	8-Aug-22	11-Aug-24	0	5	Unpaid***

*Additional 10 per cent of the member rate applies if the subcommittee Chair is not a Chair, Deputy Chair or Co-Chair of the council - Effective 01/11/21

**Effective 21/9/22

*** Compensated with a fully paid director's training course facilitated by the Institute of Directors and valued at \$11,000



Council performance



Measure	Targets
The Hanga-Aro-Rau Council maintains a strong and capable governing Council that provides effective leadership, agrees plans with achievable targets, understands its functions and responsibilities, and has the skills and experience needed to fulfil its functions.	<ul style="list-style-type: none"> Council skills assessment completed December 2022 Independent performance evaluation completed (led by the Industry Stakeholder Group) with an action plan under development Ongoing professional development, including comprehensive governance development for Associate Members as well as comprehensive health, safety and well-being training (November 2022), and media training (July 2022) Directors Risk Expertise Survey completed May 2023
	<ul style="list-style-type: none"> Recruitment activity in 2022 and 2023 focussed on addressing the skills gaps identified in both our skills assessment and Order in Council Council co-designed our Statement of Strategic Direction setting out clear targets for our industries and those we are here to serve over the next five years
	<ul style="list-style-type: none"> All Council meeting agendas supplied to the Tertiary Education Commission

Te Au Awenga

Industry Stakeholder Group

The Hanga-Aro-Rau Order in Council has a unique requirement to establish an Industry Stakeholder Group (ISG). This core group is representative of industry, including their workforces, and is an essential part of our governance system.

The group was established in June 2022 and its primary purpose is to:

- Provide guidance and feedback on our organisational strategic direction and performance (including endorsement of key organisational documents such as our Statement of Strategic Direction, Operational Plan, and Investment Advice to the Tertiary Education Commission)
- Offer advice and guidance from an industry perspective
- Evaluate the performance of our governing Council
- Recruit and appoint future governing Council members.

In the year to 30 June 2023, the ISG agreed on a workplan for 2023-24, met with the Hanga-Aro-Rau Council to develop and confirm our strategic direction, established a process for recruiting and appointing a permanent Chair, and endorsed our approach to establishing our National Industry Advisory Groups.

The rōpū is independently chaired (interim) by Matua Turi Ngatai. Members have been compensated \$500 for each meeting attended, with their ISG-related expenses reimbursed.

As interim chair of the ISG, it has been my pleasure to experience the shared kaupapa of this group which directly influences the mahi of the Hanga-Aro-Rau Council, ELT and tīma.

In the July 2022-June 2023 financial year, we met twice (including once with the governing Council), and had the opportunity to feed into the development of the **Statement of Strategic Direction: He Mahere Moana** to ensure the key operational objectives align with the needs of our many industries and current and future workforce. We also endorsed the organisation's Inaugural Annual Report (November 2022), the 2023-24 Operational Plan, and the 2024 Investment Advice to the Tertiary Education Commission. Importantly, we exercised our two key duties by appointing two Council members through a robust and independent recruitment process, and sought to evaluate the Council's governance performance.

We commenced recruitment for a permanent Chair of the Group, and we also welcomed Peter Cordtz of The Cause Collective as a new member in May 2023, taking the place of founding member Duane Mann who moved on this year.

The energy and passion brought to our discussions and the diversity and openness of thought have resulted in a successful first year together, and we look forward to our next wānanga in August 2023.

Ngā manaakitanga,



Turi Ngatai

Interim Chair
Industry Stakeholder Group



The members of the Industry Stakeholder Group are:

Allan Jack Ovation NZ	Ida-Jean Murray North Drill	Peter Busfield New Zealand Marine Industry Association
Bryn Thompson Metalcraft Engineering	Sean Rooney Allied Petroleum	Scott Fisher OffsiteNZ
Scott Lawson Fire Protection Association of New Zealand (FPANZ)	Mary Jensen Waikato Engineering Careers Association (WECA) and Smart Waikato Trust	Wayne Butson Rail and Maritime Transport Union
Melissa Bennett Red Stag Timber	Ruth Cobb PrintNZ	Catherine Lye Employers & Manufacturers Association (EMA)
Peter Cordtz The Cause Collective Appointed 19 May 2023	Rick Lunn Smart Trade Solutions	Duane Mann (2022-2023) The Cause Collective Duane was instrumental in the establishment and early development phases of the ISG, before moving on in May 2023.

Ngā Tumu Whakahaere

Our Executive Leadership Team



Phil Alexander-Crawford, Chief Executive

Phil Alexander-Crawford (Te Whiu, Ngāti Hine, Ngāti Rēhia, Ngāpuhi) is a highly experienced leader of transformation who has worked with and for iwi and hapū. Mr Alexander-Crawford was previously Director of Te Pae Tawhiti – Māori Equity Partnership at Te Pūkenga. He has held senior leadership positions in the vocational education sector, including Chief Executive of Te Matarau Education Trust, General Manager Education for the Ngāti Wai Trust Board and Director of Development for Tai Tokerau Wānanga (NorthTec). As an experienced governor, he has also chaired a number of charitable trusts and is presently a board member of Whānau Mercy Ministries Trust.



Samantha McNaughton, Deputy Chief Executive

Samantha McNaughton has been involved in the vocational education sector for more than a decade and has held various senior positions at Competenz, MITO and Skills International.

Prior to her current role, Samantha led the strategic industry engagement and learning design and innovation functions, including standard setting, quality assurance, resource development, and programme innovation at Competenz. She is acutely aware of the workforce development challenges facing New Zealand and is particularly passionate about ensuring all people have clear and accessible educational pathways that support sustainable employment and prosperity.



Yvonne O'Callaghan, General Manager Improvement & Operations

Yvonne O'Callaghan is an experienced leader in vocational education with a proven track record in developing staff, ensuring academic integrity, and delivering training, process improvement and change management. Prior to her current role, Ms O'Callaghan managed the Quality Support team at Competenz for five years and was involved in preparing for the transition to the Workforce Development Councils.

Ms O'Callaghan has a strong background in a broad range of industries, including ten years of training experience which saw her write and deliver learning modules. Her passion is ensuring all New Zealanders are given the opportunity to pursue higher education and obtain a qualification they can be proud of.



Hagen Tautari, Interim GM Industry Standards (April 2023-present)

Hagen Tautari (Ngāti Hine, Ngāti Wai, Ngāti Kahu o Torongare) has worked in secondary, tertiary and public education roles for the past 30 years. He has held senior and national leadership roles in the sectors of education, building and housing, employment, retirement and treaty engagement. He is also an experienced director/trustee, holding roles with Habitat for Humanity (Central Region), Te Rūnanga o Kirikiriroa, Te Tiratū Iwi Māori Partnership Board and a number of Ahu Whenua Trusts.



Darrell Lambert, Poumatua

Darrell Lambert (Ngāpuhi, Ngāti Whātua, Ngāi Tūhoe, Ngāti Ruapani and Ngāti Kahungunu) has 25 years of experience in the tertiary education sector across a wide range of functions. He has held a number of senior leadership roles with a strong focus on working with hapū, iwi and industry to improve outcomes for Māori.

Mr Lambert began his career as a tutor of traditional Māori carving for ten years. Prior to joining Hanga-Aro-Rau, he was the Regional Economic Development Manager for the Ministry of Social Development (MSD) in Te Tai Tokerau (Northland). In this role, he worked with hapū, iwi, industry, local and central government to stimulate regional economic development that generated employment and improved well-being indicators for Te Tai Tokerau. Other roles include Director at NorthTec – Te Pūkenga, Regional Director and Regional Academic Manager at Te Wānanga o Aotearoa.



Maria Fuata, General Manager Corporate Services

Maria Fuata brings 15 years of experience in financial management and corporate services. She has worked across a number of Aotearoa Crown entities, primarily within the Pacific business development, Pacific regional cooperation, and Pacific media spaces. Prior to that, Ms Fuata worked in auditing and assurance for five years at PricewaterhouseCoopers in Suva, Fiji.

Ms Fuata was recently the Programme Manager Pasifika at Auckland UniServices Limited, leading the mahi for professional learning and development (PLD) for educators in schools with high Pacific learners across Aotearoa, working closely with the Ministry of Education (MoE).

Ms Fuata is an advocate for promoting and preserving Pacific languages and cultural identity as a taonga; she leads this mahi for her Rotuman language and culture as a community leader and advisor of the New Zealand Rotuman Fellowship Incorporated Society. She currently serves on the Pacific Business Trust and Pacific Media Network boards. She is of Rotuman descent, from the villages of Itumuta and Juju, born and raised in Lautoka, Fiji.



Alisha Tsai, Executive Assistant

Alisha Tsai has more than seven years of ELT support experience in the vocational education sector and ten years as an executive assistant in both the public and private sectors before that. Prior to her current role at Hanga-Aro-Rau, Ms Tsai was an Executive Assistant at Unitec Institute of Technology and the Committee Secretary of its Rūnanga Māori Advisory Committee.

Ms Tsai was brought up in a family with a strong education background; she is passionate about working in an organisation that is here to drive transformational change in vocational education for future generations.



Mike Crossan, General Manager Industry Standards (October 2021 - April 2023)

Mike Crossan was instrumental in the establishment and early development phases of Hanga-Aro-Rau. In April 2023, he moved on to a pivotal new role as National Ako Director - Manufacturing, Engineering and Logistics at Te Pūkenga, but remains a close collaborator who is working alongside us to build an even stronger connection between our two organisations and create system-wide transformation.

Our tīma around Aotearoa



Kaimahi Our staff

Cultural Competencies Framework

Using the Māori Crown Relations Capability Framework developed by Te Arawhiti as a foundation, we have developed a set of cultural competencies for our kaimahi.

The competencies are:

1. Te Reo Māori (Māori language)
2. Tikanga Māori (Māori protocols)
3. Tirohanga Māori (Māori worldview)
4. Te Tiriti o Waitangi

We have entered into an arrangement with Te Wānanga o Aotearoa (TWOA) to deliver these competencies to our kaimahi via their Akorau (iQualify) and i-Akoranga (Moodle) online learning management systems. TWOA kaiako and internal kaitautoko (champions) will support our teams to determine how best to apply the competencies to their mahi.

Delivery for the first three competencies is expected to begin in August 2023. It was considered important that the Te Tiriti o Waitangi competency be delivered face-to-face and in a full-day session; we have engaged the services of Kaupare Law & Consultancy to deliver Te Tiriti o Waitangi competency. This also includes helping the teams of our core functions develop Te Tiriti o Waitangi sub-models tailored specifically to their functions.

Many of our kaimahi are already undertaking Māori cultural training and our Executive Leadership Team has completed one year of 1:1 mentoring in te reo and tikanga Māori.

Leadership Programme for People Leaders

Jump Start, the people leaders' programme, was established in August 2022 and designed to specifically meet the needs of Hanga-Aro-Rau. Created by Pure Results Ltd, this programme was designed to capitalise on the opportunity identified by Hanga-Aro-Rau to build a new leadership culture within a new organisation and embed kaupapa Māori principles into the upskilling of our people leaders.

Delivered through online hui, self-directed online work, workshops, and on-the-job training, this programme enables our people leaders to create a culture of accountability and support, working alongside our kaimahi rather than above them, breaking down silos within the working structure to work collaboratively together to achieve our goals.

This programme is set to finish in August 2023, with the expectation that people leaders will continue to utilise the tools they have learned to uplift their kaimahi and continue their own journeys of growth.



He Mahere Moana

Our statement of strategic direction

In May 2023 we published He Mahere Moana, our Statement of Strategic Direction (SSD), which forms the foundation of our mahi for the next five years (2023-28).

In this document, we reflect on our journey ahead and draw on the inspiration of wayfinding which has manufacturing, engineering and logistics at the heart of it. With significant cultural guidance, we sought an opportunity to draw on traditional skills, stories and aspirations to influence how we, much like those before us, can seek out greater horizons and better opportunities.



Kia ū ki te ara

Hold fast to the path ahead

Te reo ahumahi

Industry voices



Employer Voice

A stepping stone for youth in South Auckland

Anita Vaafusuaga of DNA 1st Solution is building a safe place where vulnerable communities can work and thrive.

“I live where they live. I went to the same schools and walked the same streets,” Anita says. This shared life experience provides Anita with insights into the needs of her workforce and uniquely equips her to offer local rangatahi tailored opportunities and support.

“I left school at 13 with no qualifications and didn’t start this business until 2012 at age 55. I hope that the people who work with us here can see my story and know that it’s never too late.”

DNA 1st Solution provides contract packing, warehousing, order fulfilment, distribution, and staffing solutions from their headquarters in Onehunga. “When I first took over the business, it was packaging only. I saw an opportunity to reach the youth in our community - those who had dropped out of school or didn’t want to go - and get them off the street and off the benefit. It’s been a long road and we’ve made a lot of structural changes to make it work, but we’ve never stopped asking questions and responding to the needs of our community.”

Anita is working closely with her son, Saefu Denis Jnr (DJ), in the family-owned business where they hope to bring learning and social services in-house.

“With our three arms of recruitment, contract packing, and third-party logistics, we believe we have the platform and capabilities to create industry-wide opportunities from within DNA 1st Solution. We are currently seeking government support to make this a reality. We know how to provide on-the-job learning opportunities that will help keep people in work, as we already have deep experience in providing practical support and life-skills training to our staff over the years.”

Keeping rangatahi in paid work is one of their primary objectives, Anita says. “We’ve found that small setbacks can quickly turn into larger ones. If an employee can’t pay their rent, power, or petrol one week, they might just stop working and go back on the benefit. Our goal is to work closely with them to provide short-term financial assistance, transport and pathways to get them back on track as quickly as possible.”

Cultural support is also critical to employee success, DJ says.

“We do a lot of work building up the confidence of our Māori and Pacific peoples. In particular, we work closely with our Polynesian staff whose background often means that they avoid eye contact and don’t speak up.



The DNA 1st Solution team

“These are actually signs of respect in Polynesian culture but aren’t always perceived that way here. We teach them that they’re coming into the working world now and it’s time to stand on their own two feet.”

Anita and DJ are committed to creating learning opportunities for their employees from within the workplace. “There’s a confidence that comes with starting to earn money,” Anita says, “which can be leveraged into confidence to learn. We just need to ensure that there are opportunities to do that at work and still get paid while doing it.

“It takes a lot of courage and heart to do what we’re doing, but we’ve shown how passionate and serious we are about our goals for the business. We’ve invested. We’ve been proactive. We’ve worked harder because we had to.”

Their hope is for DNA 1st Solution to grow across Auckland, and to provide social impact on a larger scale. The historical employer-employee paradigm of giving orders is outdated, Anita says. “We ask a lot of questions and empower our people. We want to see social impact on a community-wide level and inspire other employers to do a better job of caretaking for their people.”

Ngā Takere o te Waka

Strategic planning framework

Our purpose

What keeps us moving

Our purpose is to provide the manufacturing, engineering, and logistics industries we represent with a strong voice in making the workforce of Aotearoa fit for today and the future, while honouring Te Tiriti o Waitangi and supporting Māori-Crown relations.

Our vision

The horizon we look to

Manufacturing, engineering and logistics industries' voices influence the vocational education to create equitable outcomes and a sustainable Aotearoa.

Our values

What empowers us

We want our values to represent who we are and who we want to be as an organisation. Our values are being developed to be a reflection of the collective aspirations of all our kaimahi.

Outcomes

These outcomes for our Order in Council requirements form part of the Intervention Logic Map which connects to our functions and activities.

Improve the influence of industry voice in the strategic direction of workforce development for the manufacturing, engineering, and logistics industries. This will contribute to the creation of a sustainable, globally engaged, and adaptive New Zealand.

(TES) Objectives: 2

Te Tiriti o Waitangi partners inform how vocational education is improved by Māori for Māori.

Our Te Tiriti o Waitangi Framework guides us in meeting our obligations and this moves into manifesting and actioning through our Māori Workforce Strategy and five times yearly plans (see Appendix II).

Tertiary Education Strategy (TES) Objectives: 1,2 and 3

Enhance industries and employers' ability to respond to New Zealand's current and future workforce needs by developing the skills, qualifications, and expectations for providers to deliver. These will consider new global challenges, emerging technologies, global sustainability goals, the changing nature of work, the skills, knowledge, and qualifications learners will need to achieve future success, and the transition to a low-emissions climate-resilient New Zealand.

(TES) Objectives: 2, 3 and 4

Improved opportunities and equitable outcomes for all people in the specified industries to reach their full potential and capabilities, including those who have been traditionally underserved by the education system.

(TES) Objectives: 2, 3 and 4

Improved regional workforce development outcomes through developing a national workforce strategy informed by regional needs.

(TES) Objectives: 4

Our core functions

The functions and powers we have that enable us to achieve our outcomes

Leadership: to lead and coordinate industry efforts to identify workforce needs and support the vocational education system and employers to meet those needs. This is supported by research and analysis, advocacy, workforce plan development, and contributing to career services.

Endorse programmes: to provide industry with assurance that their needs will be met by programmes. The programme endorsement function provides learners and employers with confidence and supports consistent and coherent programme delivery in the system.

Qualifications system products: to develop and maintain industry qualifications, capstone assessments, and skill standards that meet industry needs.

Moderation activities: to ensure learners have met a required standard when they are awarded a qualification. This involves confirming that assessment materials are fit-for-purpose and that assessment decisions are fair, valid, and consistent with the national standard.

Brokerage and advisory services: brokerage services aim to help employers and industries meet their skills needs. Advisory services aim to guide employers and industries on the importance of vocational education and training and improve learner/worker experiences in their industries.

Advise the Tertiary Education Commission: to enable WDCs to guide and influence the TEC's vocational education funding decisions.

Te Tiriti o Waitangi
Honour Te Tiriti o Waitangi

Ahumahi
Strong industry voice

Ka Tika
Equitable outcomes

Ngā pou
Strategic pillars

The foundations by which Hanga-Aro-Rau will build itself over the next five years.

Te Taiao
Hardwire sustainability

Underpinned by the Living Standards Framework

Our individual and collective well-being

The Wealth of Aotearoa, New Zealand. The natural environment, social cohesion, human capability, financial and physical capital.

Our institutions and governance Institutions also define and protect rights, such as the right to free education that is specified in the Education and Training Act 2020.

Sustainability Development Goals



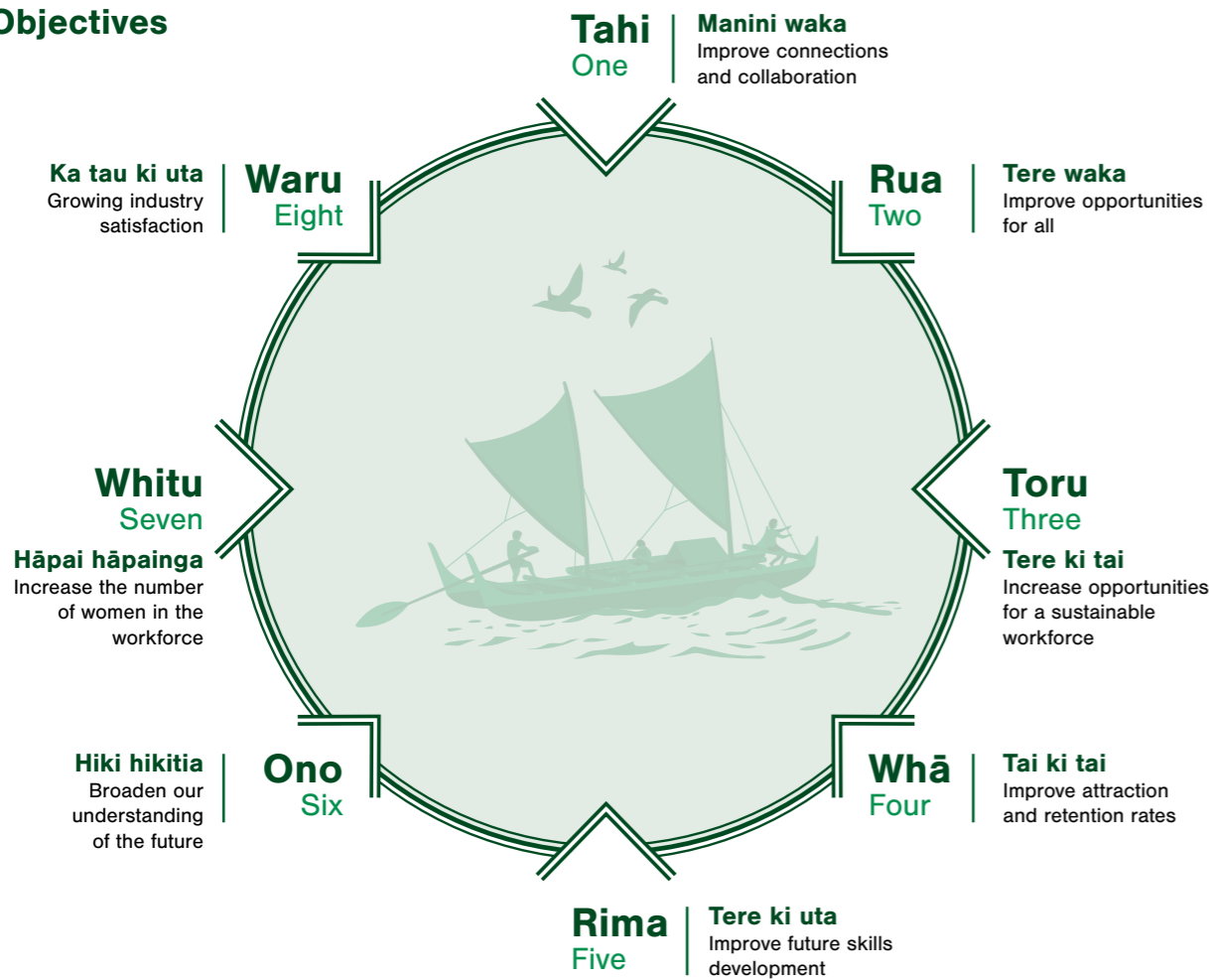
He Kāpehu Whetū

Our compass 2023 – 2028

Our kāpehu (compass) is central to navigating our way forward. It gives us accurate bearings and a road map to guide us.

Depending on the desired direction, the navigator will hold a course to ensure the correct star rises in the appropriate house (a section of the compass) and sets in the appropriate opposite house. If the night is cloudy or during the day, the navigator uses other scientific systems to make decisions. This includes the direction of the trade winds and swells, cloud formations, migrating marine life, and birds. This approach enables Hanga-Aro-Rau to be agile and responsive to environmental changes and industry need.

Objectives



Ngā Pou

Strategic pillars

Ahumahi
Strong industry voice

Reflect and prioritise industry voice, advocate for our industries in the education ecosystem to create a sustainable, globally engaged, and adaptive New Zealand

Te Tiriti o Waitangi
Honour Te Tiriti o Waitangi

Supports Māori-Crown relationships. Our Te Tiriti o Waitangi partners inform how vocational education is improved by Māori for Māori

Ka Tika
Equitable outcomes

Embed equitable outcomes in all functions and ways of working to support improvement in equitable outcomes for all

Te Taiao
Hardwire sustainability

Develop skills through the vocational education system to meet the Living Standards Framework and Sustainability Development Goals

Kia ū ki te ara

Our values

The Values Working Group (VWG) was established in March 2023 and tasked with developing organisational values for Hanga-Aro-Rau.

This project has been led by a diverse team of kaimahi from different workgroups across the organisation. As values can be innately personal, a ground-up, co-ordinated approach was used to collaborate and consult with the wider Hanga-Aro-Rau kaimahi in order to: represent who we are and who we want to be as an organisation; to develop values that reflect our responsibilities and the work we do; and inform our ways of working with each other, the broader Ohu Ahumahi whānau, the

vocational education system, and those we are here to serve. The VWG acknowledges past contributions and discussions to this mahi towards a shared collective ownership of organisational values.

'Kia ū ki te ara' was the name given to this kaupapa and links to the wayfinding narrative, highlighting the importance of having values to hold fast to the path ahead. A series of discussion sessions have been completed with 89 per cent of kaimahi contributing their time, voices and feedback to inform the development of our values. Ngā Pou (Strategic Pillars) serve as anchor points on this journey and the values work will help connect what we do to why it is important and how we practise and give effect to this in our day-to-day mahi.

We expect to formally publish our values in early 2024.

Ngā Tautāwhi ā-Kiwa

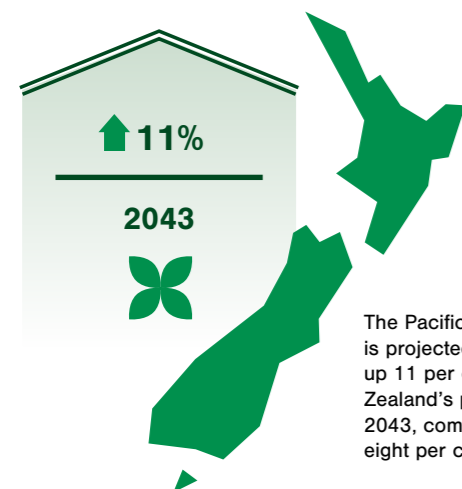
Pacific Workforce Development

In June 2023, we completed our draft Pacific Peoples Workforce Development Plan 2023-28. To be finalised in 2023, this purpose-built plan signals our intent for Hanga-Aro-Rau to take a central role as a connector for Pacific peoples in the vocational skills and training ecosystem by addressing the following trends and challenges:

- Persistent education and employment inequities between Pacific peoples and the total population of Aotearoa
- Opportunities presented by population trends which indicate that our overall workforce is ageing, while Pacific populations are younger, growing and poised to command an increasing presence in industry
- The need to ensure intergenerational health and prosperity for Pacific peoples
- Adding value to industry by safeguarding traditional, cultural wisdom
- Creating social cohesion through meaningful work.

This plan intends to clearly articulate the transformational actions to be undertaken over the next two years, including:

- Wider distribution, engagement and testing of the Pacific Peoples Workforce Development Plan with stakeholders, partners and our community
- Gather examples and case studies of initiatives with proven gains for Pacific peoples in our sectors
- Build a database for dissemination and knowledge transfer
- Normalise the use of Pacific languages for everyday activities in the classroom and workplace
- Focus on stackable micro-credentials and flexible learning options which are developed with the needs of Pacific workers in mind
- Identify community role models in the manufacturing, engineering and logistics sectors to partner with in industry programmes and workforce training
- Development of work-based mentoring programmes
- Offer cultural capability courses to industry
- Familiarisation, expansion and leveraging of resourcing and funding opportunities for Pacific peoples in the industries we serve.



Ngā kupu tohutohu a ngāi ahumahi

Industry guidance for our mahi

In addition to the strategic guidance and support we receive from our Industry Stakeholder Group, we also sought to create smaller, more industry-specific groups to help guide our mahi. In February 2023, we established eight sector-specific National Industry Advisory Groups (NIAGs) to guide and inform our functional, operational and organisational priorities as follows:

- General manufacturing
- Engineering
- Food and beverage (including bakery, butchery and meat processing)
- Commercial transport
- Extractives and energy
- Ports
- Automotive engineering
- Marine.

At least one member of a NIAG will join the ISG to ensure connection between strategic focus (ISG) and operation (NIAGs). This crucial connection will ensure operational and strategic information flows seamlessly between our advisory network.

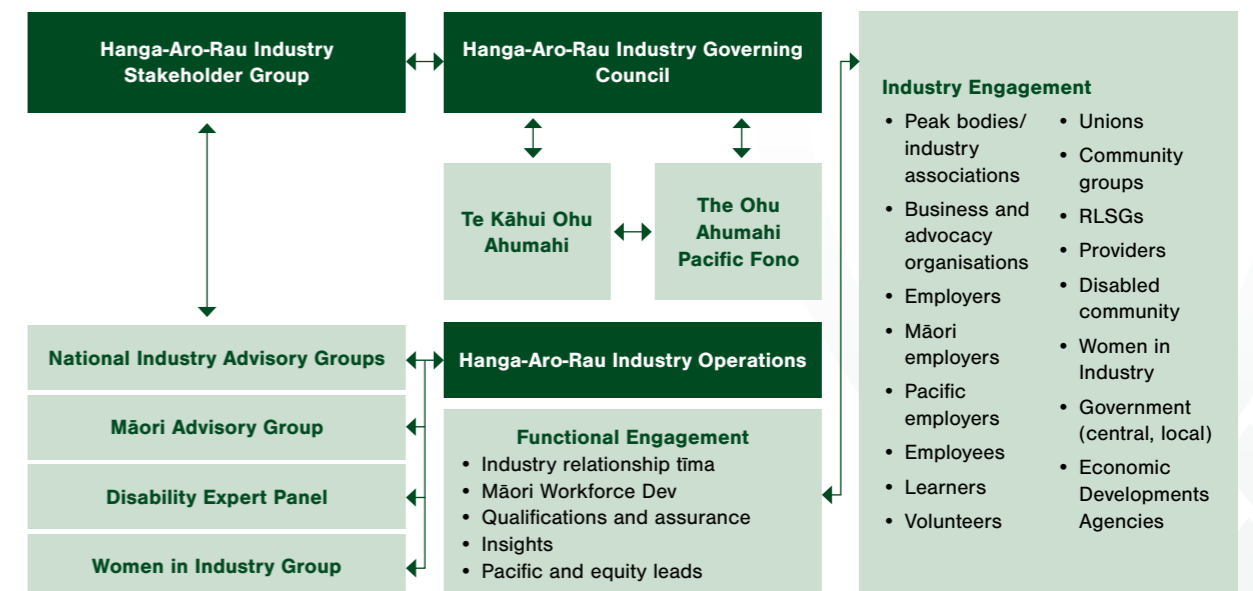
The groups began meeting in May 2023 and are already providing critical insights into the current and future workforce development needs of each sector, helping to cement industry voice in all that we do.

The Engineering NIAG held its inaugural meeting on 31 May 2023, where the group was represented by

a diverse mix of Māori, youth, women and industry leaders in wider engineering sectors from across the motu (Timaru to Whangārei). Topics discussed ranged from attracting women into the trades to the role of Hanga-Aro-Rau in attracting mature workers into the engineering trade. Outcomes from the hui included:

- A potential forum from trades to assist local procurement of government contracts
- A recognition that pastoral care needs to receive a much greater share of funding from TEC in training delivery
- An understanding that industry must be involved in the writing of course content for learners.

The first Extractives NIAG was held on 12 June 2023 and covered key themes around attracting talent, retention and upskilling of staff, and partnerships with communities. These themes were used to test the eight objectives outlined in our Statement of Strategic Direction. This exploration was followed by discussions about the visibility of pathways into and within the industry, and the barriers employers find when looking to increase the diversity of their workforce. This industry engagement continued with a successful manufacturing NIAG in Tāmaki in June 2023. The hui was well attended, and robust feedback was given that is invaluable in bringing industry voice to our mahi.



Ngā kaupapa herenga mahi

Working with the broader ecosystem

Regional Skills Leadership Groups

Hanga-Aro-Rau has continued to build strong reciprocal relationships with all 15 Regional Skills Leadership Groups (RSLGs) across the motu in 2022 and 2023, with active projects and collaboration occurring in Tāmaki Makaurau/ Auckland, Waikato and Waitaha/Canterbury. These engagements have been primarily with Ministry of Business, Innovation and Employment (MBIE) leads for each RSLG, supported by the facilitation of a number of RSLG hui to give insight into our mahi. This collaborative approach provides strategic alignment and ensures that their regional perspectives are reflected in our national priorities.

Engagement with the RSLGs was critical in the development of our Advice for 2024 Investment to the Tertiary Education Commission (TEC). This included the consideration and leveraging of RSLG information and insights, aligning investment advice with RSLG priorities, and actively consulting with RSLGs around areas of mutual interest. This resulted in strong RSLG support of the advice that we provided, and was reflected by the RSLGs' own advice to the TEC. We plan to take this collaborative approach again in the development of the next round of advice for 2025, due 3 November 2023, and we will continue to develop and build on these relationships and seek opportunities for further collaboration for improved regional and industry outcomes.

Providers

As the standard-setting body for our industries, we are committed to partnering with and actively involving vocational education providers in the quality assurance process. A core focus over the last year has been to visit all providers who have submitted a programme endorsement application or are seeking additional support with their quality assurance activity. Our approach has been consultative, working with each provider and gaining an understanding of the context of their environment and their learners. The intent is to ensure that training programmes, learning content and assessment materials meet the national standard specified by industry and provide inclusion, equity and future pathways for those traditionally underserved.

In particular, we are in the process of formalising a strategic partnership with Te Pūkenga - New Zealand Institute of Skills and Technology. Te Pūkenga is a key enabler for vocational education; we are now creating strategic and operational relationships at all levels of our respective organisations. Our core functions of skills leadership, endorsing programmes, moderating assessment, and developing and setting standards are intertwined with the priorities of Te Pūkenga. Of significant importance is our function of advising TEC to inform their vocational education investment decisions and the national Mix of Provision developed by Te Pūkenga. The better we can align the evidenced needs of industry with the investment into training, the more likely we are to have a workforce that meets the needs of employers now and into the future.

To provide assurance that we, as a standard-setting body, are performing our assurance functions, Hanga-Aro-Rau submitted a National External Moderation (NEM) report to NZQA summarising the systems, processes and policies we have implemented since inception. The completion of the NEM allowed Improvement & Operations to self-reflect and identify areas of opportunity, both within our processes and in our approach to quality assurance. We look forward to ongoing collaboration and discussion with NZQA in the next financial year.

Unions

Our Order in Council defines industry as including (but not limited to) employers, employees, self-employed people, volunteers, industry associations and unions. Unions are included in this definition because of their ability to provide employee voice, in much the same way as industry associations can do for employers.

The reformed vocational education system presents unions with a tangible opportunity to offer industry

expertise – allied, general and academic staff together alongside students - and ensure the delivery of better education and opportunities for all staff, students, whānau, hapū, iwi and communities across Aotearoa.

Union partnerships provide Hanga-Aro-Rau with unique insights into the industries we serve, and will be a priority for us as we sail forward.

In particular, we are working in collaboration with:

First Union

Hanga-Aro-Rau formalised a relationship with First Union in September 2022. Key outputs of this partnership to date have included:

- Valuable industry insights provided by First Union for the Hanga-Aro-Rau post- COVID-19 workforce development needs in New Zealand's manufacturing and engineering sectors report
- First Union representative on the Food and Beverage, Commercial Transport, and Extractives NIAG
- First Union President, Robert Reid, on Tāmaki Makaurau RSLG, with shared objectives to retain and upskill the Māori and Pacific workforce
- Collaboration between Te Waka, Hanga-Aro-Rau and Ringa Hora (another WDC) on the Ruakura Inland Port development, including the K-Mart Distribution centre move.

E tū

Hanga-Aro-Rau formalised a relationship with E tū in September 2022. Key outputs of this partnership to date have included:

- Valuable industry insights provided by First Union for the Hanga-Aro-Rau post- COVID-19 workforce development needs in New Zealand's manufacturing and engineering sectors report
- E tū representative on the Engineering NIAG
- E tū representative on the General Manufacturing and Engineering NIAG.

Maritime Union New Zealand (MUNZ)

Hanga-Aro-Rau formalised a relationship with Maritime Union NZ in February 2023. One key output in the early stages of this new partnership is:

- MUNZ representative on the Ports NIAG.



Advanced Manufacturing Industry Transformation Plan

We are pleased that our Council members have been able to contribute to the finalisation of the Advanced Manufacturing Industry Transformation Plan (ITP). This plan was co-created and is co-owned by business, unions and workers, government, Māori, Pacific peoples and wider stakeholders, and will accelerate the growth and transformation of the advanced manufacturing sector in Aotearoa. We look forward to supporting industry and MBIE in its implementation over the coming years.

Tāngata Whaikaha

In April 2023, Hanga-Aro-Rau began working collaboratively with Waihanga Ara Rau (another WDC) to achieve the vision of being inclusive for all kaimahi by creating barrier-free working and learning environments. By removing the barriers that 'disable' people with impairments, rather than 'enabling' disabled people to get around barriers, we can support more equitable outcomes for all.

Our approach will have four key priorities:

1. Build strong and impactful relationships, guided by experts
2. Develop the values that set strong foundations
3. Improve our internal capacity
4. Provide leadership to our industries and providers.

The progress against each priority will be sequenced to ensure we can normalise our ways of working to embed changes as we go and add value as soon as possible. It is our intent to co-design our way forward with those who have the knowledge, expertise and experience to guide us. The first step will be to establish an expert panel to guide the initiation of the approach, facilitate more defined development of the plan, and start implementation and monitoring.

The expert panel will provide specific guidance and advice to support Hanga-Aro-Rau and Waihanga Ara Rau in our commitment to be inclusive organisations, where the right of all disabled people to have control over the choices they make, is upheld. The guidance provided by the expert panel will be drawn from a lived experience of disability as well as sector knowledge and expertise.

Ohu Ahumahi

We are committed to cross-Ohu Ahumahi collaboration to ensure we can collectively transform vocational education for the industries we serve. In the last year, we have collaborated with other WDCs on a range of initiatives including:

Research

- The TEC-funded Industry Equity Project with a focus on attracting more wāhine into our industries, undertaken in collaboration with Waihanga Ara Rau
- Creation of Te Mata Raraunga, a shared data platform in collaboration with all other WDCs to provide accessible, relevant and up-to-date official data
- In-depth work in collaboration with all other WDCs to use the Integrated Data Infrastructure (IDI) and group our own capability.

Te Tiriti o Waitangi

There is considerable collaboration across all of Ohu Ahumahi with regard to honouring Te Tiriti o Waitangi and strengthening Māori-Crown relationships. This engagement occurs at governance, management and operational levels including Te Kāhui Ahumahi, Te Herenga Kura (Poumatua, Manukura and Amokura group), and kaimahi Māori. In October 2022, all kaimahi Māori participated in a noho marae to further grow collaboration and connection and develop a set of recommendations for achieving shared outcomes for kaimahi Māori. We have also sought to provide leadership in the development of Mātauranga Māori principles and guidelines to be eventually implemented across all of Ohu Ahumahi for all kaimahi and are currently developing operational guidelines.

Equity

Through close collaboration with the Insights tīma and our Strategic Change Manager – equity, we have been able to promote a unified and connected approach across all of Ohu Ahumahi to better support informed, equity-focused teams and staff members.

Operational collaboration

Our kaimahi across all levels are involved in a range of cross-Ohu Ahumahi groups to identify areas of common interest and collaboration including research and equity, qualifications, quality assurance, communications, and strategic engagement.

Ecosystem collaboration

In addition to cross-Ohu Ahumahi collaboration, we also work across the vocational education ecosystem. Examples of collective Ohu Ahumahi collaboration include:

- Te Pūkenga Trades Programme Steering Group
- Te Pūkenga/WDC Policy Group
- NZQA Quality and Quality Assurance Group.

Te reo ahumahi

Industry voices



Learner Voice

Leading the fleet of female boat builders

Marine and Specialised Technologies (MAST) Academy of New Zealand apprentice, Paris Benay, is charting a course all her own in the maritime industry.

“When I first signed up with MAST, I was the only woman in New Zealand getting into the qualification,” Paris says. “I’ve since heard that there are a couple of others doing production alloy boat building and aluminium welding, but this is definitely an industry crying out for women and minorities to fill skills gaps across the country.”

Paris’ father was a heavy fabrication engineer and her mother was a carpenter. Together, they taught Paris the practical skills she needed to launch a successful career in the trades. “I am now in the third year of my Alloy Boat Building (Level 4) apprenticeship, and I have just become a ticketed aluminium welder on my second 45-foot catamaran build.”

Paris says she never considered being a boat builder when she was growing up but she has now found a deep passion for the work. “University was not very attractive because of the debt, the drinking culture and the often impractical degrees. I quickly realised that my heart only sang when I was creating and engineering like my parents. Through them, I have learned that real-life experience and making connections with the right people is the way to find success.

“I stumbled across boat building through work experience gained as part of my Mechanical Engineering Certificate (Level 3). An experienced Māori mentor - who happens to be related to my papa - encouraged me to make contact with the nearby boat builders in Hawkes Bay. They explained that the first step was to join them as a workshop junior. I spent a year emptying bins, sweeping floors, washing boats and minding the workshop.”



Paris in the workshop



Paris welding

The pandemic disruption led Paris and her husband to relocate to Christchurch in 2022 where she now works for Icon Marine Manufacturing. “My previous employers in Hawkes Bay were really supportive of the move; they had always encouraged me to practise welding in my spare time and use factory machines for my own projects. Icon Marine Manufacturing is much the same. They are always so supportive and I learn something new here every day.”

Paris is finding her voice as a wahine Māori in the industry, and she hopes to encourage others to follow in her wake. “When I first started, I was often intimidated by the men around me and I beat myself up for my mistakes. I felt a lot of pressure to succeed.” As part of a network of ‘tradie ladies’, Paris has since found a group of like-minded supporters who help each other through the unique challenges of working in male-dominated trades.

“They have taught me to let things roll off my back and not be afraid of failure. It feels like a superpower.”

Paris is now studying Fusion 360 and te reo Māori. She hopes to be fully qualified next year but says she is in no rush to finish learning. “I don’t want to be an average boat builder. I want to be an excellent one that takes her time. I hope to build boats overseas and learn as much as I can before settling back in Aotearoa.”

The big dream, she says, is to build a superyacht and then share that knowledge with others like herself who never saw themselves in the maritime industry.

“Colleagues and clients are often blown away when they first see me: a Māori girl in overalls with her welding gear and a messy ponytail sticking out the back of her helmet.”

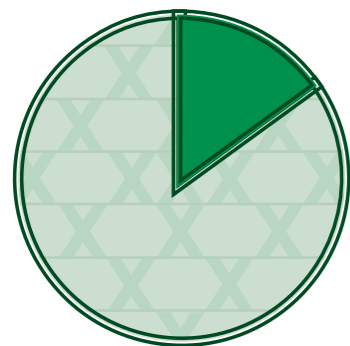
I feel like proof that diversity is a great thing. Change is here and it feels good to be a part of it. You should never judge a book - or a boat or a person - by its cover.”

Industry equity project with Waihanga Ara Rau

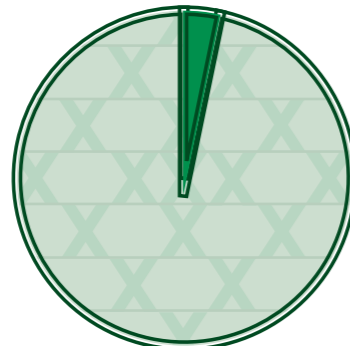
The TEC-funded Industry Equity Project (IEP) commenced in 2022 and was co-sponsored by Hanga-Aro-Rau and Waihanga Ara Rau Workforce Development Councils.

Its primary purpose is to support women who have lost their jobs or had their employment impacted by COVID-19 by creating pathways and reducing barriers for them to transition into careers in the trades. The IEP builds on the outputs of the 2021 COVID-19 response project Trade Careers Pilot Programme (January-September 2021) and the Re-Energise Workforce Development Strategy (October 2021), both of which highlighted the need for greater support for women entering the trades.

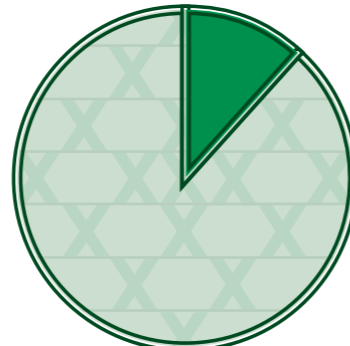
Industry roles held by women



15%
of all trade roles, including administration*
*Ngā Kete data, TEC.



3.6%
of all apprenticeships and managed apprenticeships in the construction and infrastructure sector



10.8%
of total enrolments in infrastructure to date

Key outputs of the IEP in 2022-23 included:

- An online web series showcasing women in industry (Wāhine on the Tools)
- Creation of the Keep it Decent guidelines for employers to support more inclusive workplaces and collaborative PR for the launch of the guidelines, resulting in considerable media coverage for both WDCs
- Expansion and re-launch of the Trade Careers Online toolkit and equity directory
- Establishment of formal partnerships with Te Matarau Education Trust and La Fele
- The development of an ongoing shared work programme to continue this important work
- Research to understand barriers to women entering the advanced manufacturing sector.

The commitment and support from industry, employers, tradespeople, suppliers and key partners have been instrumental in the IEP's success, as has the partnership of the WDCs and TEC in this joint project. This has created a strong foundation for this work to continue, with both WDCs committed to ongoing work toward equity and diversity in their sectors.



Women in advanced manufacturing: evidence-based strategies for lifting women's employment in the sector

As part of our steadfast commitment to equity, Hanga-Aro-Rau engaged Project Gender to understand the barriers to attracting and retaining women in the advanced manufacturing sectors.

This document provides evidence-based recommendations for actions to attract and retain more women in the manufacturing, engineering and logistics sectors. Eight key recommendations were made as follows:

1. Development of a national awareness campaign to showcase the advanced manufacturing sector
2. Insights and evaluation research to be conducted with sector employees, in particular wāhine Māori, Pasifika women, disabled women, older women and younger women

3. Creation of a framework of initiatives to support formal harassment, sexual harassment and bullying policy
4. Consulting support for employers on adapting workplaces to increase diversity, equity and inclusion
5. Formalisation of a buddy/mentor system
6. Creation of a formal network where ideas and insights can be shared
7. Better professional development pathways for women in advanced manufacturing
8. Guidelines to better support well-being policies and programmes.

These recommendations will be included as part of our 2023-24 action plan to sustainably attract, train and retain more wāhine in our sectors.



Pacific Fono

The Pacific Fono, comprising members of the six WDCs with Pacific heritage, plays a vital role as a collective voice to test our thinking and represent diverse Pacific perspectives in WDC governance Councils.

Collaboration is key to the Pacific Fono's approach, working closely with other WDC members and interested parties to amplify the Pacific voice within the vocational education and training ecosystem. They advocate for policies and programs that have

equitable outcomes for Pacific peoples, contribute to strategic planning, participate in decision-making, and engage with stakeholders to achieve shared goals. The Fono ensures the inclusion and representation of the Pacific community in governance discussions and decision-making.

The Fono has been a helpful guide to Hanga-Aro-Rau as we have begun scoping our Pacific workforce development plans. They have provided valuable input on priority areas, goals and strategies, ensuring plans across the six WDCs align with the aspirations and needs of Pacific communities, businesses and industry. Currently, Hanga-Aro-Rau Council Member and Faamoetauloa Po'e Jerome Mika co-chairs the Fono with Tofilau Talalelei Taufale.



Vocational education and training Operational Leadership Group (OpLG)

The vocational education and training (VET) system has been fundamentally reimagined so that it becomes and remains responsive to the needs of learners, employers and industry.

The changes incentivise provision of vocational education and training that is fit for the future of work, delivering the skills needed for learners, employers and communities to thrive.

The VET outcomes leadership model enables the shift to and retention of a systemic focus on delivering reform outcomes, ensuring conversations happen with the groups systems change is designed to benefit, and the promotion of system collaboration at senior leadership and operational delivery levels. The model is supported by two key groups. The Outcomes Leadership Group (OLG) is responsible for shepherding the VET system to achieve outcomes for the reform beneficiaries. It is the independent voice for these beneficiaries and provides a key connection between them and

operational leaders across the VET system. The Operational Leadership Group advises the OLG and VET delivery entities in relation to significant system functions and operational design. It is the only cross-entity body positioned, resourced and supported to look across VET system operations, reflecting a system that is just becoming fully functional.

Hanga-Aro-Rau Chief Executive, Phil Alexander-Crawford, is a member of the OpLG, and supports the group in delivering the following core functions:

- Reporting and summarising progress towards the reform vision and outcomes
- Applying a system-wide lens to system-level design efficiency
- Testing ideas and providing advice to VET entities
- Collaborating with other system operational leaders to discuss optimisation and outcomes delivery
- Exploring and endorsing any substantive system operational design change or new design.

Ngā haepapa mahi

Our functions

Skills leadership

We see our role as being a leader for skills and workforce leadership, as well as a connector and collaborator across the broader vocational education and labour market ecosystem to ensure our industries and their workforces thrive.

We maintain a strong focus on industry voice and have engaged with thousands of stakeholders in the 2022-23 financial year. These conversations have provided a clear mandate of the current and future skills and workforce development priorities for our industries, and provided clear navigational points for the journey ahead. We are supporting this work with research, analysis, advocacy, workforce plan development, and contribution to career services.

In 2022/23, we compiled a complete suite of 38 workforce development sector profiles for all sectors endorsed by the NIAGs and our Te Tiriti o Waitangi partners and completed in-depth research to understand the impact COVID-19 had on the manufacturing, engineering and logistics sectors.

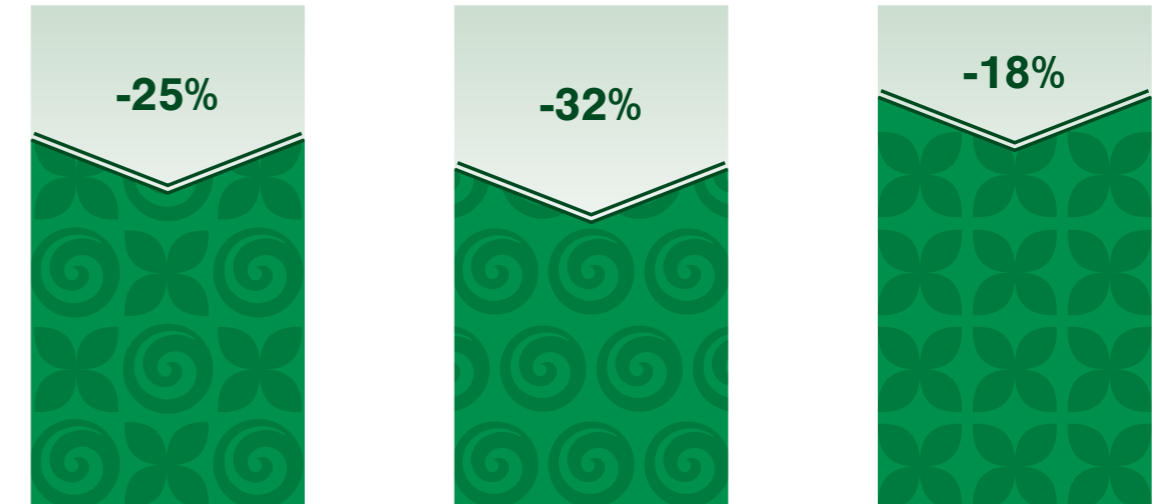
Ngā rangahau | Research projects

Hanga-Aro-Rau post-COVID-19 workforce development needs in New Zealand's manufacturing and engineering sectors report

This research, commissioned by Hanga-Aro-Rau and funded by TEC, found that COVID-19 caused widespread disruption, further compounded by immigration policy settings and supply chain constraints. The report's authors found that, while rates of employment among other ethnic groups now exceed pre-COVID levels, the pandemic has exacerbated inequities for Māori and Pacific peoples. If left unchecked, the research shows that the international labour market will see the industry skills gap continue to widen.

The study showed that Māori and Pacific peoples will not reach skills parity with other ethnic groups by 2028 without immediate intervention, including new, targeted, culturally relevant training programmes. In addition, without net migration returning to pre-COVID levels, the domestic workforce will be insufficient to address the widening skills gap. Increasing the participation rate of groups who are also significantly underrepresented at all levels of the manufacturing and engineering sectors, including women and disabled workers, will be essential for reducing the skills shortfall.

COVID-19's impact on the manufacturing and engineering sectors



Reduction in Māori and Pacific peoples' participation in the national manufacturing and engineering workforce

Industry-wide employment decline for Māori*

Industry-wide employment decline for Pacific peoples*



17,000
Current estimate of manufacturing workforce shortfall



40,000
Projected shortfall of manufacturing workforce in key regions by 2028



12,000
Current estimate of engineering workforce shortfall



38%
Projected increase in critical skills shortage by 2028

*Waikato manufacturing sector

Hanga-Aro-Rau workforce development needs in New Zealand's logistics sector report

This research was commissioned by Hanga-Aro-Rau as a follow-up to the Hanga-Aro-Rau post-COVID-19 workforce development needs in New Zealand's manufacturing and engineering sectors report (October 2022). The Hanga-Aro-Rau workforce development needs in New Zealand's logistics sector report extends the scope of the original research to cover the needs of the logistics sector, with a particular emphasis on capturing the voices of Pacific employees.

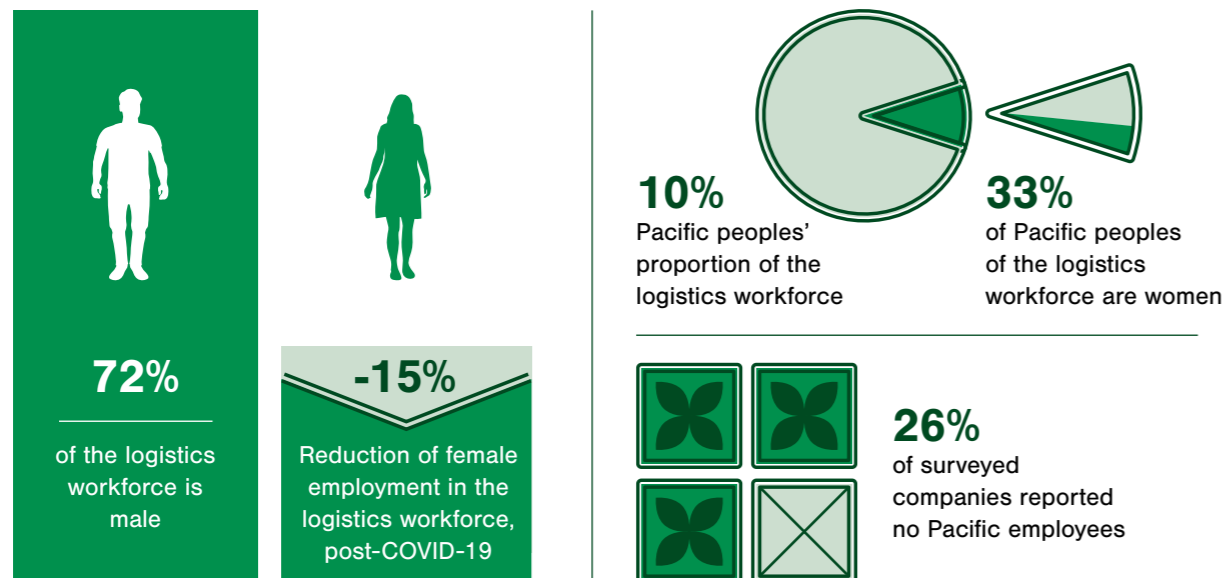
There has been an upward shift of skill levels between 2012 and 2022 for all ethnic groups, though this has been less pronounced for Pacific peoples. The proportion of skill levels one to three for Pacific peoples grew only 2.9 per cent and the proportion of their workforce in lower than skill level four positions has grown 5.5 per cent over the same ten-year period. This research found that Pacific people were poorly represented in senior and management roles, and that many saw opportunities for better clarity and information about learning development opportunities, progression and promotion pathways.

While the risk of further disruption from COVID-19 has reduced, the pandemic has accelerated already documented challenges and trends within the sector.

These include:

- Supply chain disruption and modernisation impact how the logistics sector operates and the skills it needs for the future
- An ageing workforce, brain drain, domestic competition and perceptions about the industry are all contributing to the supply and demand imbalance for the industry. The sector is unable to keep up with the scale of the workforce required
- Women employed in logistics have been impacted more by COVID-19 than men. Global trends suggest that new technology is changing the nature of the work, allowing more women the opportunity to work in the industry
- New technologies and models create opportunities to grow through a more gender and culturally diverse workforce. COVID-19 resulted in a shift in the workforce model with employees changing behaviour and increasingly viewing roles as 'jobs' or stepping stones rather than the start of a career in the sector.

Logistics workforce, at a glance



4,700
Current estimate of logistics workforce shortfall



18,000
Estimate of logistics workforce shortfall by 2028

Key projects and mahi

Partnerships/MOUs signed with business networks

The Centre of Vocational Excellence for Construction and Infrastructure (ConCOVE)

In August 2022, Hanga-Aro-Rau signed a two-year Memorandum of Understanding (MOU) with The Centre of Vocational Excellence for Construction and Infrastructure (ConCOVE). This agreement signals our joint intention to explore collaborative opportunities through shared initiatives, data, research advisory groups, stakeholder engagement, insights, and projects supporting the industries that we represent.

Both organisations have agreed to:

- Hold regular meetings to discuss collaborative opportunities and exchange information
- Develop cooperative educational and engagement activities
- Exchange relevant data and insights
- Share resources
- Jointly collaborate on advocacy.

New Zealand Defence Force (NZDF)

All six members of Ohu Ahumahi signed a Memorandum of Collaboration (MOC) with the New Zealand Defence Force in May 2023. The MOC provides a framework for the WDCs and the NZDF to contribute to productive and valued outcomes in vocational training and education.

The partners are working collaboratively to develop people with a shared desire to nurture potential through good work-based learning opportunities. This agreement signifies a commitment by both organisations to ensure that NZDF ākonga (students) have continued access to qualifications and lifelong learning.

Te Whakamānutanga - Operational Plan 2023-24

Te Whakamānutanga 2023-24 Operational Plan was endorsed by our Industry Stakeholder Group in March 2023 and by the Hanga-Aro-Rau Council in April 2023. The Plan was also approved by the TEC Board in May 2023. This document outlines the key mahi Hanga-Aro-Rau proudly commits to across the coming financial year as we journey alongside industry, Māori businesses, employers, employees, sector associations, unions, iwi, hapū, and our fellow WDCs to transform vocational education in Aotearoa. This document is informed by our Statement of Strategic Direction and Letter of Expectation, and maps out a clear path to steer our waka in the next 12 months.

Te reo ahumahi

Industry voices



Learner Voice

Making the grade as an apprentice butcher

Self-described “girly girl” Sam Chapman is changing the image of the retail meat industry by competing on the national butchery stage.



After more than a decade in the retail meat industry, Sam is now in her final year of a butchery apprenticeship.

“I was recently promoted to 2IC (second-in-charge) Butcher at New World Prestons in Christchurch where I have been based for the last four years,” she says. “I first got into this line of work at around 15 years old through my mum who was working as a check-out person at the time.”

Sam worked in meat packing part-time all through school but, after having two children of her own, decided that she wanted something more. “In May 2021, I asked if I could do an apprenticeship because I wanted to start building a better future for my kids.”

Training on the job has been instrumental for Sam, who says she learns best through hands-on tasks. “I do much better when you put something in front of me rather than reading it in a book. I’ve gained a lot from that practical style of learning, which I do in combination with a few days of workshops each year.”

“A lot of people might think that this is an unusual career for a woman, but I’m determined not to let that perception hold me back. From the moment I started training, the team here has taught me anything I wanted to learn. They have also supported me with a schedule that allows me to be there for my kids when they need me.”

Outside of the day-to-day responsibilities of her work at New World Prestons, Sam has found her competitive streak in butchery competitions where she loves to let her skills shine. “I was in my first Apprentice of the Year competition last year; I won my regional heat and progressed to the nationals. I didn’t win nationally but I did get Best Chicken Product and Emerging Talent.”



Sam showcasing her talents at Apprentice of the Year

The recognition from that competition has been instrumental in building Sam’s confidence; she says she’s excited to compete again this year. “It’s so much fun - win or lose - and the friendships I’ve gained from competing have given me so much extra support.”

Sam is still settling into her new role as 2IC and is eager to keep changing perceptions in the retail meat industry.

“Yes, there’s a lot of strength you need to do this work, but I’m proof that you can gain that strength on the job. It doesn’t have to be a male-dominated industry and I hope that I can inspire other women to consider butchery.”

Looking ahead, Sam hopes to progress to a management role one day. “Once I qualify later this year, I’ll move on to do two more unit standards: sausage-making and boning out beef. From there, who knows? I love doing competitions and I know that will remain a high priority, but if I keep pushing, I hope to be able to open my own butchery shop one day.”



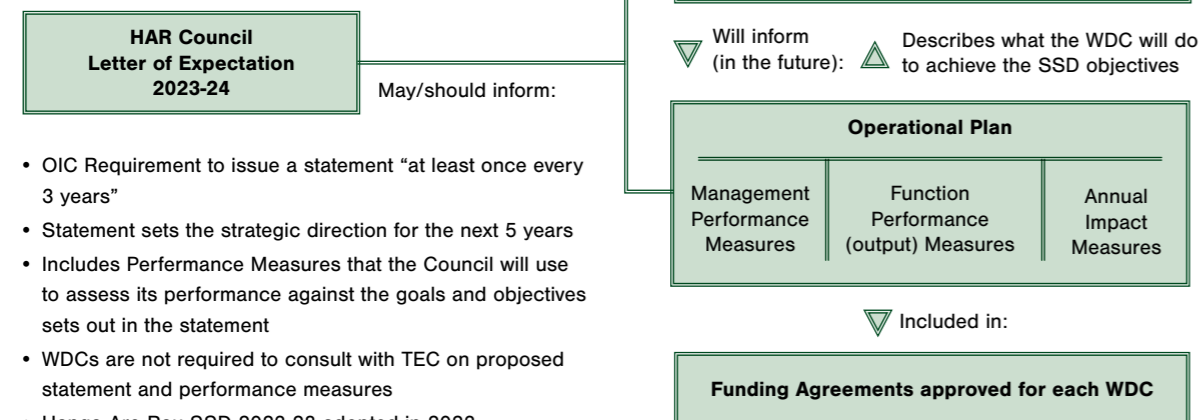
Tirohanga whāiti

Our priorities and operating context

Our Operational Plan details our core areas of focus for 2023–24 to drive impactful change to New Zealand’s vocational education system, workforce development, and the industries and their people we serve. Our Operational Plan is one facet of a broader framework that enables measurement of

the impact the Reform of Vocational Education is having. The diagram below demonstrates how our Operational Plan is linked to our Statement of Strategic Direction, performance objectives and the broader RoVE ecosystem.

The performance measures are described in a number of interrelated EDC documents and provide the framework to help monitor if the WDC is on track to achieving the RoVE outcomes.



Ākonga | Learners

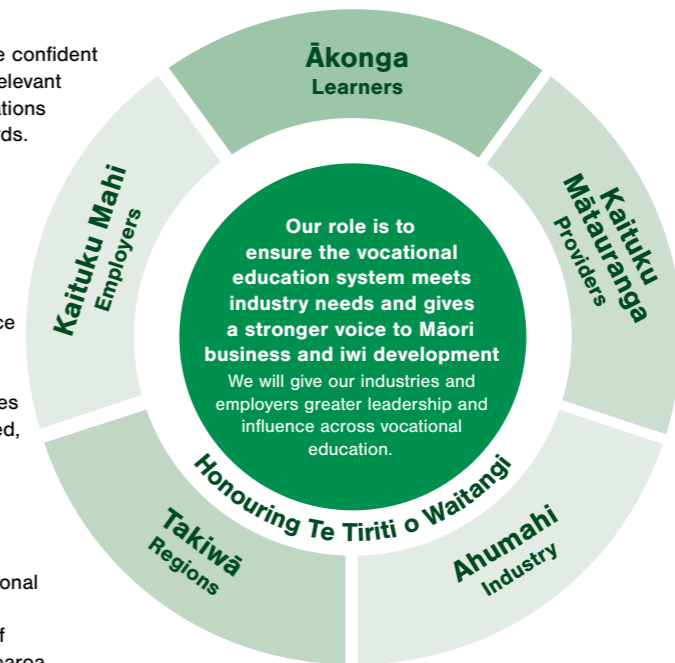
We use their voices to drive improvement: learners can be confident their qualifications are both relevant and meet employers’ expectations and national industry standards.

Kaituku Mahi | Employers

We work together with employers to set skills standards and give confidence to employers - including Māori business owners - that vocational education graduates have the skills employers need, now and in the future.

Takiwā | Regions

We are a nationally-focused organisation that takes a regional perspective, listening to and ensuring the diverse needs of through the provinces of Aotearoa are met.



Kaituku Mātauranga | Providers

We share industry’s needs with education and training providers to develop learning programmes that will give people the skills Aotearoa needs. We ensure industry standards are consistently applied by providers across the country, and across all modes of learning.

Ahumahi | Industry

Industry voice is central to our mahi: we partner with industry to understand the challenges they face and the skills they need to address these, then develop qualifications for providers to deliver.

Honouring Te Tiriti o Waitangi

Underpins everything we do – how we engage, how we work, and how we ensure te ao Māori values are central to how the ecosystem operates

Mānuka takoto, kawea ake - Rising to the Challenge Summit in November 2022

In November 2022, we hosted the first-ever Hanga-Aro-Rau stakeholder summit: Mānuka takoto, kawea ake – Rising to the challenge. We welcomed more than 400 attendees (110 in person and more than 300 online) from across our stakeholder network to join us in Te Whanganui-a-Tara.

This summit was an opportunity for employers, industry associations, providers, schools, government, iwi, hapū and community groups to confront the challenges faced by the manufacturing and engineering sectors, and to share their experience and innovative thinking on how to improve outcomes.

We are grateful to the then Minister of Education, the Hon Chris Hipkins, for opening this inaugural summit and laying down the opportunity to explore how we can all collectively address the skills and workforce development challenges facing our sectors.

Logistics Research Launch in June 2023

On 1 June 2023, we hosted a logistics sector summit to mark the release of the Hanga-Aro-Rau Workforce development needs in New Zealand’s logistics sector report. This event was attended by stakeholders from across industry including industry associations, employers, unions, recruitment agencies, providers and those in the vocational education sector.

Key speakers on the day were Alan Piper (GM of Freight Markets KiwiRail), Nick Leggett (CE of Infrastructure NZ and Hanga-Aro-Rau Council member), Phil Alexander-Crawford and Samantha McNaughton (Hanga-Aro-Rau CE and DCE), and John Tan and Sylvia Yan (Deloitte).

Guests were invited to attend a workshop led by Deloitte to explore each of the key areas of opportunity outlined in the ten identified opportunities in the logistics research. The focus of the workshop was to support Hanga-Aro-Rau with the development of a specific action plan to address the opportunities from the research.

Endorsing programmes

Programme endorsement is an essential function of the reformed vocational education system.

Not only does it provide assurance that training providers understand the intent of qualifications and skills standards, but it also provides assurance to industry that the training programme reflects the identified skill, knowledge and capability needs, alongside the support learners need to be successful. This function is used to ensure barriers are removed for those traditionally underserved by the vocational education system, including enrolment into and successful completion of programmes such as those presented by literacy requirements.

The function of programme endorsement has been collaboratively co-designed across all of Ohu Ahumahi and the New Zealand Qualifications Authority (NZQA). However, the way the programme endorsement decisions are made by Hanga-Aro-Rau is established by our Academic Rōpū: Te Paewhiri

Mātauranga*. A comprehensive review and evaluation of the programme endorsement process was completed during the 2022-23 financial year. This review reiterated the need for greater collaboration with NZQA and across ngā Ohu Ahumahi to focus on ways to reduce any process duplication felt by providers.

In 2022-23, Hanga-Aro-Rau endorsed 65 programmes, all with conditions around encouraging providers to provide more comprehensive information on how they are supporting underserved groups. We are currently reviewing the programme endorsement approach and process to ensure consistency for providers, while also ensuring industry requirements are central to the decision-making process.

Developing and setting standards, capstone assessments and qualifications

Our qualification and standards reviews are informed through collaboration with industry stakeholders, Māori and providers.

In the last financial year, we initiated a collaborative project with Waihanga Ara Rau to develop “Trades Essentials” to establish a formalised skills response to develop the skills of people working in the engineering and construction sectors through a Trades Assistant position, in line with industry requirements. We also worked with NZQA to align consistency reviews with scheduled qualification and unit standards reviews. Based on strategic engagement, ten new vocational education product suites (qualifications, standards, and/or micro-credentials have been created). These have been formally added to the 2022-23 Workplan. Additionally, Māori stakeholders have contributed to the bakery, commercial road transport, mechanical engineering, trades essential and print review and development of qualifications.

*Te Paewhiri Mātauranga is a cross-functional group of kaimahi from Hanga-Aro-Rau involved in decision-making regarding programmes, standards and future workforce needs. This rōpū brings together all functions to ensure that decisions are centred around industry requirements.

Moderating assessment

We continuously seek to evolve the approach to moderation and quality assurance processes with a focus on how transformation through quality assurance activities can be realised.

This includes creating close and direct relationships with providers’ resource development and moderation teams, and ensuring the resolution of any areas of improvement before submission. This is strengthening assessment design and training delivery, with the intention of improving learner outcomes.

The methodology behind our moderation selection is that 30 per cent of our provider base will be called for post-moderation each quarter. A minimum of three unique unit standards with three samples for each will be requested. The unit standards will be retrospective assessments of the prior calendar year.

Each provider’s assessment history will be analysed using the risk-based approach outlined below:

- Previously not approved unit standards
- Newly developed or reviewed unit standards
- Health and safety risks attached to an assessment
- New programmes
- Recently granted consent to assess.

Depending on the outcome of the initial selection of post-moderation, it will then determine whether additional samples or unit standards are called within the same quarter, and/or an onsite visit is conducted. A provider that assesses many unique unit standards or a high volume of a specific unit standard will be called more than once in a calendar year. All providers will experience post-moderation activity within the calendar year.

Mātauranga Māori and qualification development

In 2022, we started the process of reviewing all of our qualifications with a Te Ao Māori lens to align with our engagement and research kaupapa.

We also began to identify opportunities to include mātauranga Māori (including te reo and tikanga Māori) within qualifications. Our industry standards tīma (Whatu Tohu) has developed the Te Aronga Māori framework to enable this process.

As part of a pilot, two completed qualification reviews were then reviewed and analysed using Te Aronga Māori. The analysis identified the opportunity to use Te Aronga Māori to inform the qualification and standard development and review process moving towards the normalisation of mātauranga Māori within this mahi. Next steps will include a review of Te Aronga Māori to refine current approach and develop any additional resources. Te Tima Whatu Tohu are considering how to operationalise and integrate Te Aronga Māori within their scheduled workplan.

Brokerage and advice

Advice to TEC

The mix of vocational education provision

Most of our insights gleaned from stakeholder engagement, research and standard-setting activities (including qualification and standards development, moderation and programme endorsement) inform the advice we provide to TEC. The insights we collect from individual and collective stakeholders are triangulated with research and analysis of official statistics. Our insights are then developed into themes to inform the vocational education system. These themes may relate to the creation of new qualifications or the refresh of others; they may relate to specific considerations for learners to improve success, or they may identify some new priorities relating to the delivery.

Given the diverse range of sectors we serve, we acknowledge the challenge we have in ensuring all voices are represented. To do this, we test with our Industry Stakeholder Group and our National Advisory Groups to confirm priorities. As an example, our analysis and testing may involve:

- Forecasting employment growth/demand, business change and regional focus for a sector
- Analysing educational outcomes
- Validating industry demand with a representative group of stakeholders including employers, community groups, business organisations and industry associations
- Engaging with providers to seek their input/views as well as exploring how they might continue to support employers and learners in the specified sectors
- Testing with iwi and Māori employers as appropriate.

Once we have a rounded, evidenced-based understanding of our sectors' priorities, then we are in a position to include this in our investment advice. Our 2023-24 objectives outline what our stakeholders have told us is important and these

have guided our 2024 advice. The structure of the 2024 advice submitted to the TEC in April 2023 will also pave the way for the 2025 investment advice, due on 03 November 2023.

Advice for 2024 investment to the TEC

Each year, we provide detailed investment advice to TEC based on thousands of hours of deep kōrero and collaboration with those who join us on our haerenga (journey) to transform vocational education in Aotearoa. In March of 2023, we delivered a kete of recommendations for the year ahead informed by extensive research, engagement and testing to identify key challenges that our industries face and want resolved by the vocational education system.

They are:

- Strengthening attraction to manufacturing, engineering and logistics industries
- A work-readiness focus
- More support to increase inclusivity and equity
- Providing greater support to older workers
- More work-based and on-site training.

We identified specific priorities we see for TEC in the next year, as related to the manufacturing, engineering and logistics industries we serve.

They are to:

- Maintain investment levels in the current qualifications and industry standards across our industries
- Continue to invest in our essential vocational pathways mahi, creating sustainable workforce pipelines and pathways that serve both learners and employers
- Provide new investment for the creation of nine vocational education solutions that industry tells us are clearly needed.

	New Product	Solution	Need
	Computer numerical control (CNC)	New qualification	CNC is now a pan-industry technology that requires specific learning to meet multiple industrial applications
	Robotics (Welding)	To be determined (possibly micro-credential)	As robotic welding has become more commonplace, the development of the skills to set up and monitor machines has been identified
	Digital skills	Microcredential/s	Following the success of the digital skills in manufacturing micro-credential, the manufacturing sector has requested the next step on the pathway be developed
	Primary product and food processing	New unit standards	Existing unit standards do not lead to industry being supplied with fit-for-purpose skills. A unit standard review has been scheduled by Hanga-Aro-Rau to fill the gaps in the programme. This review will be complete by 2024 and the programme will be released in 2024
	Sewing machinist/ Apparel manufacturing	To be determined (possibly micro-credential)	This qualification aims to meet the industry need for more machinists
	Fluid power systems	New qualification	Traditionally this area is serviced by engineers and mechanics. Industry bodies have recognised specific skills required for the industry that are not being met by engineers or mechanics and have asked for a specific qualification to meet their needs
	Passenger ropeways	New qualification	This qualification aims to meet the maintenance needs of many tourism and difficult access areas in New Zealand
	Transport engineering	To be determined (possibly new qualification)	Transport engineers traditionally come from multiple trades backgrounds but have common skill sets. The industry has now asked for a formal recognition of those combined skill sets
	Trades assistant	To be determined (possibly micro-credential)	With the development of large capital works in construction and engineering in New Zealand, the trades assistant project is an opportunity to develop a pathway for those that have not had or don't recognise the opportunity for a career. The trades assistant project will provide pathways for people into trades qualifications and onto worksites to meet labour shortages and develop skills.

Vocational pathways strategy

The Vocational pathways strategy informs the direction for the Hanga-Aro-Rau Vocational Pathway Advisors (VPAs) over the next three to five years.

This strategy is designed with interconnected workstreams that cover key transition points of the career journey, and links strongly to our broader Statement of Strategic Direction.

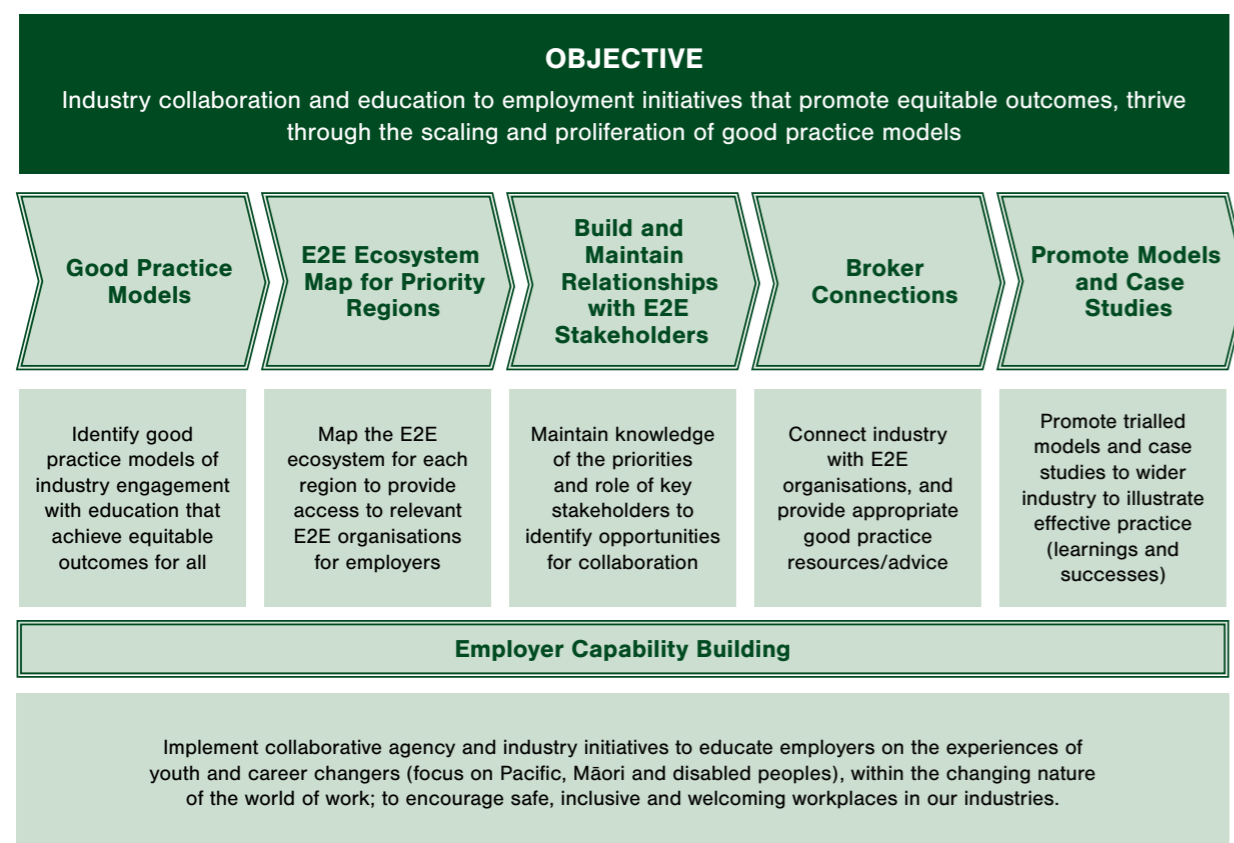
To focus our efforts, we identified two key targets: sustainable workforce pipelines and equitable outcomes for Māori, Pacific peoples, disabled peoples, neurodiverse workers, women, and older workers into and within our industry pathways. The intended results are to meet the future skill needs of our industries whilst ensuring equitable outcomes for our traditionally underserved learners.

The VPAs aim to complement the core functions of standard setting, quality assurance and skills leadership, to ensure that our industries align with a careers system that underpins a sustainable workforce.

This calls for a two-thread approach:

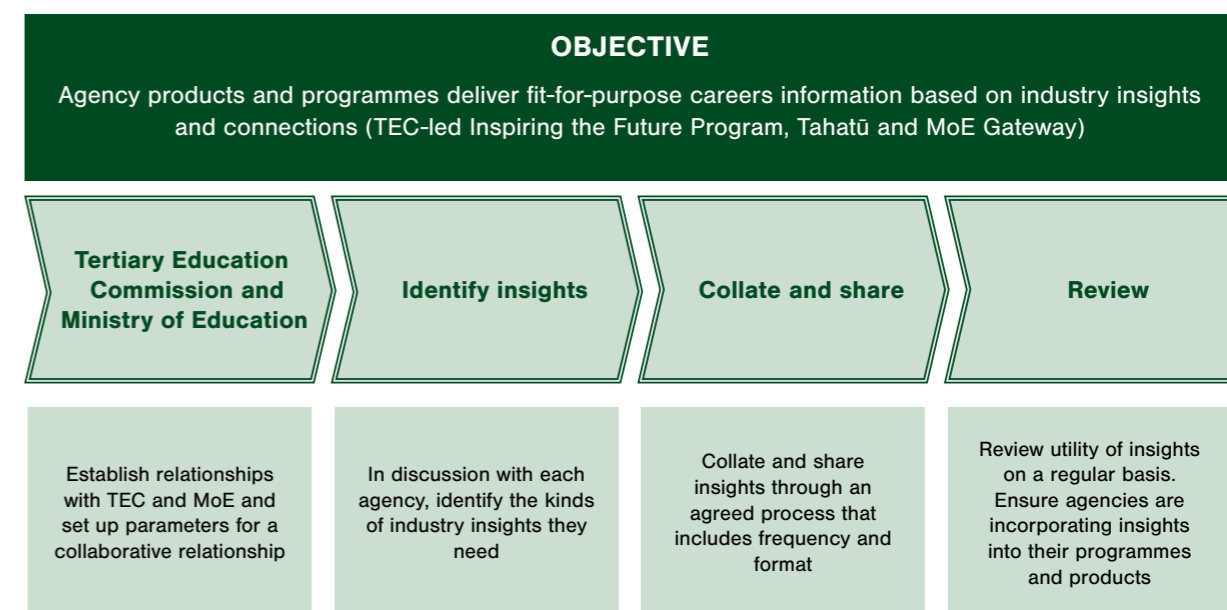
1. Equip employers with knowledge of how to engage with the education ecosystem, providing advice on good practice to create fruitful partnerships, underpinned by building employer capability in diversity, equity and inclusion practices

Brokerage and Advisory Workstream



2. Empower learners and their sphere of influencers by equipping relevant agencies and associations with industry-informed career pathways, fostering a seamless connection between industry and the education ecosystem.

Inform the Careers System Workstream



This strategy received approval in March 2023 and will require collaboration with partners across the national careers system to implement. This includes, but is not limited, to those listed below:

- Employers
- Secondary and tertiary education institutions
- Industry associations
- Community organisations
- Ministry of Social Development (including funded initiatives)
- Ministry of Education
- Ministry of Business, Innovation and Employment
- Economic development agencies
- Regional Skills Leadership Groups
- Mayors Taskforce for Jobs
- Tertiary Education Commission (Tahatū and Inspiring the Future)
- Careers and Transition Education Association New Zealand
- Career Development Association New Zealand industry associations and employers.

Te reo ahumahi

Industry voices



Industry Voice

A post-pandemic culture of well-being and balance

General Manager of People and Capability, Rose Powell, and the team at Vitaco are empowering healthier lives in the workplace, and the world.



“Following the sale of Vitaco back into private equity in 2016, our first priority was to build a solid foundation with infrastructure that could support growth,” Rose says. “Demand for our products has grown rapidly and we have worked hard to increase our capacity accordingly. A big part of that process has been to embrace a new phase of culture by design.”

Vitaco is home to Australia and New Zealand’s most trusted health food, sports nutrition, and supplement brands, Rose says. Their first and flagship brand, Healtheries, has been supporting New Zealanders to live healthier lives for more than a century. More recently, brands such as Musashi and Nutra-Life are gaining market share and being embraced by consumers. “We’ve gained a lot of clarity in the last few years, which has led to an increased focus on empowering our people. We recognise that healthier lives start here, and we have to be intentional about creating a positive environment in order to succeed.”

The Vitaco team is building a culture of learning and well-being in both their physical spaces and their processes, Rose says. “We take the approach that about 70 per cent of learning happens on the job, 20 per cent happens through mentorship or coaching, and 10 per cent happens in a classroom environment. Our Manufacturing and Distribution team works with a skills matrix that enables them to learn on the shop floor and be rewarded for that learning, not just with increased knowledge, but with wage increases as well. It’s a win-win for the business, with more capable people who can undertake end-to-end processes across multiple skill areas, and an empowered workforce that is more likely to stay and grow with us over the long term. A lot of our people have been with us now for 20 to 25 years.”

When Rose joined Vitaco in 2017, many processes were still largely manual, particularly within their distribution team. In the years since, the company has brought in digitised systems which have required many in their tīma to learn new skills. “We have a really mixed demographic here, some of whom hadn’t historically used any digital methodologies, even smartphones. To meet the growing demand for health products that was brought on by the pandemic, we needed to increase our capacity and support our people by automating our processes; to do that we needed more space.”



Vitaco Distribution Centre

A business case was built around the need for a new Vitaco distribution centre which, Rose says, prioritised health and safety for their kaimahi. “We now have a modern space that is automated with new technologies, which means less manual handling and more safety and precision across the business. Our people are embracing the technology, even with hugely specialised work such as driving a reach truck with a hoist that goes right up to the roof of our warehouse.

“We also used the development of this space as an opportunity to advance our own cultural journey and worked closely with both local iwi and our Chinese tīma to ensure that we were embracing principles from Feng Shui to Tikanga Māori.”

Vitaco’s ‘grow-your-own’ approach to up-skilling staff is yielding great results, Rose says. “People who perhaps thought they couldn’t learn new skills have jumped at the chance to learn on the job and have exceeded all expectations. Although there are many opportunities for development and progression, we are not able to offer a manufacturing apprenticeship for the work that we do, and I’d like to see that better mapped out in the future. This industry should be attractive for people who are leaving school and want to set themselves up for a good future, but perhaps don’t see themselves on a university path. My aspiration is to offer careers that matter to young people.”

The future for the sector is bright, Rose says, and she welcomes the collaboration and support of Hanga-Aro-Rau. “It is very rewarding to be asked to contribute my knowledge; to feel a genuine desire to know what we’re doing and what we hope to achieve. A lot of the impact is still ahead of us, but proactively bringing the industry together means that our alignment and our opportunities will only get better and better.”



He Tauākī Tutukinga Mahi

Statement of Service
Performance 2022/23

Performance storyboard

Our performance storyboard below shows what we intend to achieve as per our Statement of Strategic Direction 2023-2028 (five-year plan) and the impacts that our mahi will create while leading to our outcomes.



FY 2022

Launching our waka

- Whakawhanaungatanga
- Identifying industry priorities
- Establishing our operation

FY 2023

Setting sail – we are here

- Identifying specific sector goals
- Creating bespoke VE solutions and advice
- Operating rhythm

FY 2024 – 2028

Our Horizon

- A better connected vocational education system
- More people attracted, supported and retained in our industries
- Our industries are confident their current and future workforce have the skills they need to thrive

Performance storyboard

Our Statement of Service Performance 2021-2022 was based on our:

- Order in Council (2021)
- Education and Training Act 2020 (Section 366-369)
- Letter of Expectation from our Council and Funding Letters (2021)
- Establishment Plan (2021).

We launched our waka to deliver against our 2022-23 Operational Plan, in which our priorities were informed by:

- Extensive and diverse stakeholder engagement in 2021-22
- Reviewing all educational strategies listed in our OIC to ensure explicit links are made to the specific actions that Hanga-Aro-Rau can most directly influence, as well as the outcomes of the reformed vocational education ecosystem that we directly influence and those that we contribute to
- Progression and achievement of our Establishment Plan priorities and functional workplans, including qualification development schedules, our moderation plan and the development of our Skills and Workforce Leadership plan
- Putting in place the mechanisms, frameworks and processes needed to operate Hanga-Aro-Rau effectively and the skilled people needed to propel us forward.
- Commencing research to understand the workforce development and labour priorities for our sectors, particularly in response to (and recovery from) the Covid-19 pandemic

A reality at the time of plotting our course for 2022-2023, Hanga-Aro-Rau had only been operational for six months, and we expected our thinking, ways of working, and organisational priorities would continue to evolve, just as we did during our Establishment Phase.

Hanga-Aro-Rau cannot sail towards a horizon of a transformed vocational education in Aotearoa without having the whole ecosystem also heading in the same direction. Consequently, we recognise the need to collaborate with all to realise our outcomes. We acknowledge that our indicators of success are evolving as we start to sail towards our horizon of a transformed vocational education ecosystem in Aotearoa.

Our core functions (as stated on page 41) enable us to achieve our outcomes through:

- | | |
|--|---|
| <ul style="list-style-type: none"> Forecasting current and future workforce development needs (skills leadership) Reviewing and developing qualifications and standards based on industry need Endorsing programmes and moderating assessments to ensure industry needs are central and vocational education ecosystem quality is upheld Providing advice to guide investment in vocational education. | <p>Why is this important?</p> <p>Our industry stakeholders have told us that they need:</p> <ol style="list-style-type: none"> A better connected, industry-focused vocational education system that develops the current and future workforce A strong pipeline of people coming into our sectors, and staying in our sectors Confidence that the training is providing for the current and future workforce to enable our industries to thrive. |
|--|---|

Skills leadership

Hanga-Aro-Rau is leading and coordinating industry efforts to identify workforce needs and support the vocational education system and employers to meet those needs. We are supporting this work with research, analysis, advocacy, workforce plan development and contributing to career services.

We are working with stakeholders across the reformed vocational education ecosystem through collaborations including Regional Skills Leadership Groups, Providers, Unions, Te Kāhui Ahumahi, Pacific Fono, vocational education and training Operational Leadership Group, Te Pūkenga Trades Programme Steering Group, Te Pūkenga/WDC Policy Group, and NZQA Quality and Quality Assurance Group to support industry and regions to have stronger leadership and learners to have a stronger voice in the vocational education and training system.

Indicator of success	What we achieved 2022/23	What we achieved 2021/22
<p>Number of workforce development sector profiles published of high-quality qualitative and quantitative data analysis, demonstrating that regional insights, industry views and Te Tiriti o Waitangi partner perspectives have been considered</p> <p>Support and endorsement from the sector that the Workforce Development profiles are grounded in evidence-based data and reflect their needs and aspirations</p> <p>Insights, identify current and future workforce needs of industry</p>	<p>A complete suite of 63 workforce development sector profiles that summarise the employment, demographic and learning trends for all sectors*</p>	<p>Inaugural Skills and Workforce Development Plan developed and submitted to TEC 30 June 2022</p>

*While a set of workforce development sector profiles have been developed and shared on the Shared Data Platform and with our stakeholder network, we have not published detailed workforce development plans as stated in our Operational Plan 2022-23. This is entirely due to ensuring the plans are co-created and validated by our National Industry Advisory Groups (NIAGs), which were in their forming stage at the later part of this financial year. We are on track to ensure these nine plans will be published by January 2024.

We are committed to cross-Ohu Ahumahi collaboration (as evidenced on page 49) to collectively transform vocational education for the industries we serve; in particular, we have collaborated with other WDCs on several key research projects in the 2022-2023 financial year:

- The TEC-funded Industry Equity Project with a focus on attracting more wāhine into our industries, undertaken in collaboration with Waihanga Aro Rau
- Creation of a Shared Data Platform in collaboration with all other WDCs to provide accessible, relevant and up-to-date official data
- In-depth work in collaboration with all other WDCs to use the Integrated Data Infrastructure (IDI) and group our own capability.

These collaborations are implemented in support of gathering, developing and providing insights that seek to identify and validate the current and future workforce development needs of our sectors.

Indicator of success	Target 2022/23	What we achieved 2022/23	What we achieved 2021/22
*Number of engagements with the sector	1,200 formal engagements with industry (including associations, peak bodies, employers, government agencies, community groups, and unions)	Formally engaged with at least 1,786 stakeholders including Māori industry, iwi, hapū, employers, learners, unions, associations. Engagements have informed the development and validation of our SSD, research, new vocational education products development and the compiling of detailed investment advice to TEC. A total of 1,573 engagements across 67 sectors. (this excludes engagement for qualification review and development)	Formally engaged with at least 586 stakeholders, including Māori industry, iwi, hapū, employers, learners, unions, associations and providers, across 70+ sectors Please note that these were the engagements formally recorded in our CRM: Aka kōrero to enable direct comparison to 2022-23 figures.
Number of engagements with Māori	200 engagements with Māori employers, iwi and hapū	Our Māori Workforce Development team has had 213 engagements with Māori industry and other related stakeholders The focus was on identifying the current and future strengths, weaknesses, opportunities and threats for our sectors The insights have also guided us on industries where we can target our focus to improve outcomes for Māori. Insights from these engagements have informed our research, investment advice, qualification and standards development and strategic and operational directions	Our Māori Workforce Development team had 138 engagements with Māori industry and other related stakeholders
Number of engagements with providers	minimum of two providers visited each month	80 provider visits completed	19 provider visits completed
Engagement with Regional Skills Leadership Groups RSLGs	50 engagements with RSLGs	43 engagements with RSLGs When we were engaging on the investment advice, there were more 'combined' RSLG hui, rather than individual RSLG hui that were a feature of 2022	Engaged with all 15 RSLGs and established close collaboration with MBIE; Hanga-Aro-Rau sectors featured in Tāmaki Makaurau and Canterbury regional plans



Sector engagement:

1700+ Formal engagements
across **281** Organisations
across **67** sectors
71% Face-to-face and **31%** Online



Provider engagement:

80 Provider visits
44% Te Pūkenga
34% PTE
11% Schools
9% Employers
1% Unions

Endorsing programmes

A comprehensive review and evaluation of the programme endorsement process was completed during the 2022-2023 financial year. This review reiterated the need for collaboration with NZQA and across Ohu Ahumahi to focus on ways to reduce any process duplication felt by providers. This approach ensures that:

In 2022-23, Hanga-Aro-Rau endorsed 65 programmes. In some instances conditions were attached to the endorsement with a particular focus on how a provider supports priority groups. Undertaking onsite visits and engaging with these providers to fully understand and contextualize the initiatives they have deployed or need to deploy is a priority within our strategy.

- Industry needs are met, as well as improving equity for all learners to obtain industry-endorsed qualifications
- Provider programmes are endorsed in a timely manner while being careful not to limit innovation and ensuring providers are free to appropriately contextualise learning to meet learner, regional and cultural needs.

Indicator of success	What we achieved 2022/23	What we achieved 2021/22
----------------------	--------------------------	--------------------------

100% of programme endorsement applications received are processed within the specified SLR timeframes (20 days)

100% of programme endorsement applications received (65) were processed within SLR timeframes (20 days)

Designed and implemented the programme endorsement criteria with other Ohu Mahi to ensure consistency in approach; this went 'live' on 01 June. Twelve programmes were endorsed



65 Programme endorsement applications completed



49 Type 2 changes
Amendments to current programmes



16 New programmes
Predominantly for the engineering sector

*Number of engagements with the sector are not directly comparable to what was achieved in 2021/22 due to the advancement of our CRM in 2022/23. This data will provide the baseline moving forward.

Moderating assessment

The methodology behind our moderation selection is that 30 per cent of our provider base will be called for post-moderation each quarter. A minimum of three unique unit standards with three samples for each will be requested. The unit standards will be retrospective assessments of the prior calendar year.

Each provider's assessment history will be analysed using the risk-based approach outlined below:

- Previously not approved unit standards
- Newly developed or reviewed unit standards
- Health and safety risks attached to an assessment
- New programmes
- Recently granted consent to assess.

Indicator of success	What we achieved 2022/23	What we achieved 2021/22
100% of moderation plan/activities delivered	In the 2023 financial year, we completed 655 pre-assessment moderation activities, 757 post-assessment moderation activities, and 7 consent to assess activities. This was 100% of all moderation activities.	In the 2022 financial year, we completed 286 pre-assessment moderation activities, 181 post-assessment moderation activities, and 13 consent to assess activities. This was 100% of all moderation activities.
30% of provider base called for post-moderation each quarter	61% of provider based called in the first half of 2022/23 41% of our provider base called for post-moderation in the second half of 2022/23	190 providers (60%) called for moderation
NZQA rating against WDC moderation reporting	NEM report submitted with NZQA still reviewing the report at 30 June 2023. We expect formal feedback to be provided in the first quarter of 2023-24	NA

Developing and setting standards, capstone assessments, and qualifications

Our qualification and standards reviews are informed through collaboration with industry stakeholders, Māori, and other stakeholders including providers.

Indicator of success	Target 2022/23	What we achieved 2022/23	What we achieved 2021/22
Qualifications are up to date	50 qualifications reviewed and 1,032 unit standards reviewed	41 qualifications and 493 unit standards have been approved and listed on the NZQF 487 unit standards were also rolled over based on Qualification review plan to 2026 developed industry feedback.	Reviewed six qualification suites and 283 unit standards Qualification review plan to 2026 developed Established an Academic Rōpū to support with programme endorsement and qualification development (including new, out of plan initiatives to align with industry need)
New qualifications, standards, micro-credentials developed to meet industry need	New opportunities for vocational solutions identified through industry, RoVE ecosystem and Te Tiriti Partner engagement	10 new qualification suites have been identified through industry engagement 32 new unit standards, skills standards or micro-credentials as determined through stakeholder engagement	NA

Brokerage and advice role

This is currently the least defined of the WDC functions, with metrics against which we can track our progress still under discussion between TEC, the Ministry of Education and Ohu Ahumahi. We are now working collaboratively to build a clear idea of what this function will look like and how we will track its progress across all the WDCs. At the time of reporting, a working group is being assembled including TEC and MoE to get their inputs and finalise meaningful measures to support this function.

Indicator of success	What we achieved 2022/23	What we achieved 2021/22
Advice to TEC by 5 December 2022 and 6 April 2023	Hanga-Aro-Rau delivered theme-level advice in December 2022 Hanga-Aro-Rau delivered our inaugural Investment Advice - 2024 to TEC around the level of investment and mix of provision in April 2023	Hanga-Aro-Rau delivered our inaugural Investment Advice- 2023 to TEC around the level of investment and mix of provision in June 2022.
Feedback from TEC	Hanga-Aro-Rau advice was included in 2024 Supplementary Plan Guidance published by TEC in June 2023 Formal feedback on our advice was also received from the TEC on 29 June 2023	NA

Impact

All Workforce Development Councils are mandated by the Tertiary Education Commission (TEC) through their respective funding agreements to focus on the contribution made by the Workforce Development Council (WDC) to its respective industries and the overall vocational education sector; and should be based on feedback from Industry.

As a WDC, the role of Hanga-Aro-Rau is to work closely with our industries to understand their needs and collect their feedback. As part of collecting this feedback we are expected to report on the below impact measure annually.

RoVE benefit	KPI	Measure	What we achieved 2022/23	What we achieved 2021/22
Industry and regions have stronger leadership and learners have a stronger voice in the VET system	Industry leadership is stronger and more impactful	Confidence of industry that WDC leadership is stronger and more impactful	We piloted a measurement framework with a range of stakeholders to explore how we could determine industry confidence that the skills leadership of Hanga-Aro-Rau is stronger and more impactful. While the pilot was not representative of the many sectors and stakeholders we represent, we were able to identify the following: <ul style="list-style-type: none"> Stakeholders recognised that we were still a new organisation, so many responses were 'not sure' Stakeholders were most confident that Hanga-Aro-Rau is performing well to lead the vocational education system and its transformation. A new set of confidence indicators have been introduced by the Tertiary Education Commission in 2023-24 and will replace this measure 	N/A

Key Judgements:

The service performance information does not report on the below indicators of success as there is no current mechanism in place. Review metrics for the following will be developed for the 2023-24 reporting period:

- Relevant industry bodies and associations are surveyed to determine whether qualifications are fit for purpose
- Feedback rating from TEC for the investment advice
- NZQA rating against WDC moderation reporting.



He Tauākī Pūtea

Financial statements

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF HANGA-ARO-RAU MANUFACTURING, ENGINEERING, AND LOGISTICS WORKFORCE DEVELOPMENT COUNCIL'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of Hanga-Aro-Rau Manufacturing, Engineering, And Logistics Workforce Development Council (the Council). The Auditor-General has appointed me, Geoff Potter, using the staff and resources of BDO Wellington Audit Limited, to carry out the audit of the financial statements and statement of service performance of the Council on his behalf.

Opinion

We have audited:

- the financial statements of the Council on pages 91 to 116, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Council on pages 76 to 83.

In our opinion:

- the financial statements of the Council on pages 91 to 116:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the statement of service performance on pages 76 to 83:
 - presents fairly, in all material respects, the Council's service performance achievements as compared with the forecast outcomes included in the investment plan for the year ended 30 June 2023; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 27 October 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Council for the financial statements and the statement of service performance

The Council is responsible on behalf of the Council for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Council is also responsible on behalf of the Council for preparing a statement of service performance that is fairly presented and that complies with generally accepted accounting practice in New Zealand.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of service performance, the Council is responsible on behalf of the Council for assessing the Council's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Council intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

The Council's responsibilities arise from the from the Order in Council made under section 363 of the Education and Training Act 2020.

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and statement of service performance.

For the budget information reported in the financial statements and the statement of service performance, our procedures were limited to checking that the information agreed to the Council's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We evaluate the appropriateness of the reported performance information within the Council's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of service performance, including the disclosures, and whether the financial statements and the statement of service performance represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information. The other information comprises the information included on pages 1 to 75 and page 117, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the Council.



Geoff Potter
BDO WELLINGTON AUDIT LIMITED
On behalf of the Auditor-General
Wellington, New Zealand

Statement of responsibility

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance about the integrity and reliability of reporting.

The Council is responsible for the preparation of the Statement of Service Performance, under the Public Finance Act 1989, and Financial Statements for Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council and for the judgements made within them.

In the Council's opinion:

The Statement of Service Performance fairly reflects the performance of Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for 01 July 2022 to 30 June 2023.

The Financial Statements fairly reflect the financial position and operations of Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for 01 July 2022 to 30 June 2023.

Signed on: Friday 27 October 2023

Signed by:



[Signature]

Dr Troy Coyle

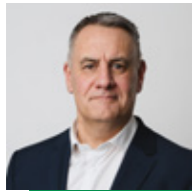
Co-chair



[Signature]

Renata Hakiwai

Co-chair



[Signature]

Phil Alexander-Crawford

Chief Executive



[Signature]

Samantha McNaughton

Deputy Chief Executive

Statement of comprehensive revenue and expense

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

All in \$000s	Note	Actual Current Year 2023	Budget Current Year 2023	Actual Prior Year 2022
Revenue				
Government funding	2	13,114	13,118	9,339
Grants funding	2	447	252	243
Interest revenue	2	102	0	0
Total revenue		13,663	13,370	9,582
Expenditure				
People related expenses	3	7,336	8,821	3,347
Hāpaitia Limited - Shared Council services	3	1,604	1,743	927
Administration and other expenses	3	2,396	2,676	893
Total expenditure		11,336	13,240	5,167
Surplus/(Deficit)		2,327	130	4,415
Other comprehensive revenue and expense		0	0	0
Total comprehensive revenue and expense		2,327	130	4,415
Total comprehensive revenue and expense for the period attributable to:				
Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council		2,327	130	4,415
Total		2,327	130	4,415

Explanations of major variances against budget are provided in Note 12. The accompanying notes form part of these financial statements. The comparative information provided in the Actual 2022 column is for the nine month period 04 October 2021 to 30 June 2022.

Statement of financial position

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council as at 30 June 2023

All in \$000s	Note	Actual Current Year 2023	Budget Current Year 2023	Actual Prior Year 2022
Assets				
Current assets				
Cash and cash equivalents	4	4,629	3,255	5,266
Short term investments	5	2,000	0	0
Trade receivables	6	38	101	8
Other receivables	6	955	704	493
Prepayments	6	61	0	24
Total current assets		7,683	4,060	5,791
Total assets		7,683	4,060	5,791
Liabilities				
Current liabilities				
Trade and other payables	8	564	411	669
Employee entitlements	9	377	0	290
Revenue received in advance	10	0	0	417
Total current liabilities		941	411	1,376
Total liabilities		941	411	1,376
Net assets		6,742	3,649	4,415
Equity				
Accumulated surplus	12	217	1,922	45
Operating reserve	12	3,000	0	3,000
Capital reserve	12	796	1,727	900
Special projects reserve	12	2,600	0	400
Te Kahui Ahumahi reserve	12	129	0	70
Total equity attributable		6,742	3,649	4,415

Explanations of major variances against budget are provided in Note 12. The accompanying notes form part of these financial statements. The comparative information provided in the Actual 2022 column is for the nine month period 04 October 2021 to 30 June 2022.

Statement of changes in net assets/equity

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

2023

All in \$000s	Note	Accumulated surplus	Operating reserve	Capital reserve	Special projects reserve	Te Kāhui Ahumahi reserve	Total net assets/equity
Balance at 1 July 2022	12	45	3,000	900	400	70	4,415
Total comprehensive revenue and expense for the year		2,327					2,327
Transfers between reserves							
Capital reserve		104		(104)			0
Special projects reserve		(2,200)			2,200		0
Te Kāhui Ahumahi reserve		(59)				59	0
Total transfers		(2,155)	0	(104)	2,200	59	0
Balance at 30 June 2023		217	3,000	796	2,600	129	6,742

2022

All in \$000s	Note	Accumulated surplus	Operating reserve	Capital reserve	Special projects reserve	Te Kāhui Ahumahi reserve	Total net assets/equity
Balance at 1 October 2021	12	-	-	-	-	-	-
Total comprehensive revenue and expense for the year		4,415					4,415
Transfers between reserves							
Operating reserve		(3,000)	3,000				0
Capital reserve		(900)		900			0
Special projects reserve		(400)			400		0
Te Kāhui Ahumahi reserve		(70)				70	0
Total transfers		(4,370)	3,000	900	400	70	0
Balance at 30 June 2022		45	3,000	900	400	70	4,415

The accompanying notes form part of these financial statements. The comparative information provided in the Actual 2022 column is for the nine month period 04 October 2021 to 30 June 2022.

Statement of cash flows

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
for the year ended 30 June 2023

All in \$000s	Note	Actual Current Year 2023	Budget 22/23	Actual Prior Year 2022
Operating activities				
Receipts from government		13,144	15,085	9,999
Receipts of interest		102	0	0
Receipts of other revenue		5	0	0
Goods and services tax (net)		(74)	(1,327)	(33)
Payments to people		(7,199)	(8,491)	(2,732)
Payments to suppliers		(4,243)	(5,368)	(1,968)
Net cash flows from operating activities		1,735	(101)	5,266
Investing activities				
Purchase of term deposits		(2,000)	0	0
Net cash flows from investing activities		(2,000)	0	0
Financing activities				
Advances to Hāpaitia		(372)	(100)	0
Net cash flows from financing activities		(372)	(100)	0
Net (decrease) increase in cash and cash equivalents		(637)	(201)	5,266
Cash and cash equivalents at beginning of the period		5,266	3,456	0
Cash and cash equivalents at end of the period	4	4,629	3,255	5,266

Explanations of major variances against budget are provided in Note 12. The accompanying notes form part of these financial statements.
The comparative information provided in the Actual 2022 column is for the nine month period 04 October 2021 to 30 June 2022.

Note index

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
for the year ended 30 June 2023

Note Number	Title	Page
1	Statement of accounting policies	96
2	Revenue	99
3	Expenditure	101
4	Cash and cash equivalents	102
5	Short-term investments	102
6	Trade receivables and other receivables	103
7	Associates	104
8	Trade and other payables	104
9	Employee entitlements	105
10	Revenue received in advance	106
11	Financial instruments	106
12	Equity	109
13	Major budget variations	111
14	Operating leases	113
15	Commitments and contingencies	113
16	Related party transactions and key management personnel	114
17	Events after reporting date	116
Supplementary Information	Remuneration - Employee	117

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Note 1 – Statement of accounting policies

Reporting entity

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council is domiciled in Aotearoa New Zealand and is a charitable organisation registered under the Charities Act 2005. The Council is a body corporate established in October 2021 through Orders in Council (OiC) and in accordance with section 363 of the Education and Training Act 2020. The role of Hanga-Aro-Rau is to ensure the vocational education system meets industry needs and gives a stronger voice to Māori business and iwi development. Hanga-Aro-Rau will give their industries and employers greater leadership and influence across vocational education. Success for Hanga-Aro-Rau will mean employers—including Māori business owners—are confident that vocational education graduates are ready for work and that the future skills needs of their industry will be addressed by the vocational education system.

Governance responsibilities are held by a Council, comprising Councillors who act in similar capacity to Directors on a Board of Directors.

Hanga-Aro-Rau is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act (2013).

Basis of preparation

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period. This means accounts have been produced on the assumption that Hanga-Aro-Rau will continue to operate for the foreseeable future (a period of greater than 12 months after the reporting date).

Preparing the accounts on a going concern basis will be subject to an annual assessment and declaration as part of the audit of the Annual Report and Financial Statements.

Reporting period

Hanga-Aro-Rau came into existence on 04 October 2021 and therefore the comparative reporting period for the financial statements is for the nine months from 04 October 2021 to 30 June 2022.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity Accounting Standards Reduced Disclosure Regime (RDR) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for public sector entities. For the purposes of complying with NZ GAAP, the Council is a public sector public benefit entity and is eligible to apply Tier 2 Public Sector PBE Standards RDR on the basis that it does not have public accountability and it is not defined as large. The Council members have elected to report in accordance with Tier 2 Public Sector PBE Accounting Standards RDR and in doing so have taken advantage of all applicable RDR disclosure concessions. The Council has complied with its obligations under the Charities Act 2005.

These financial statements were authorised for issue by the Hanga-Aro-Rau Council on Friday 16 December 2022.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars which is Hanga-Aro-Rau functional currency and all values, are rounded to the nearest thousand dollars (\$000). There has been no change in the functional currency of the controlling entity or any significant foreign operations during the year.

Budget figures

Budget figures provided in the annual financial reports will be derived from the financial budget approved by the Council at the beginning of the financial year.

Where revised budgets are submitted to and approved by the Council during the financial year, the most recent revised budget for that year will be used for management accounting reports only.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Note 1 – Statement of accounting policies (cont'd)

Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements made in applying accounting policies that have had significant effects on the amounts recognised in the financial statements include the following:

Hanga-Aro-Rau has exercised judgment when recognising grant revenue to determine if conditions of the grant contract have been satisfied. This judgment will be based on the facts and circumstances that are evident for each grant contract.

Judgment was also required when distinguishing between the research and development phase of projects and whether software costs meet the recognition criteria for capitalisation.

Goods and services tax

Items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

Income tax

Hanga-Aro-Rau is exempt from Income Tax as it is a registered Charity under the Charities Act 2005. Accordingly, no provision will be made for Income Tax.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Note 2 – Revenue

Accounting policy

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to Hanga-Aro-Rau, and measured at the fair value of consideration received or receivable. The following specific recognition criteria in relation to revenue streams must also be met before revenue is recognised.

Revenue from exchange transactions

Interest and dividends

Interest revenue is recognised on an accrual basis, using the effective interest rate. Dividends are recognised when the right to receive payment has been established.

Revenue from non-exchange transactions

Non-exchange transactions are those where Hanga-Aro-Rau receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return. With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the entity, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to the non-exchange transaction revenue streams of Hanga-Aro-Rau must also be met before revenue is recognised.

Government funding

Funding under the Workforce Development Council Fund is the main source of operational funding for Hanga-Aro-Rau from the Tertiary Education Commission (TEC). Hanga-Aro-Rau considers this funding to be non-exchange revenue and recognises TEC funding as revenue when received. TEC funding has stipulations, and they take the form of restrictions not conditions.

Grants

The recognition of non-exchange revenue from grants depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the immediate recognition of revenue.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Note 2 – Revenue (cont'd)

Other grants received

The recognition of non-exchange revenue from grants depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue. Stipulations that are 'conditions' specifically require the return of the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that

is subsequently recognised as a non-exchange revenue as and when the 'conditions' are satisfied. Stipulations that are 'restrictions' do not specifically require the return of the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

All in \$000s	Actual Current Year 2023	Actual Prior Year 2022
Government funding classified as non-exchange transactions		
Government funding classified as non-exchange transactions	13,114	9,339
Project grant funding classified as non-exchange transactions	447	243
Total Government funding	13,561	9,582
Other revenue classified as exchange transactions		
Interest revenue	102	0
Total other revenue	102	0
Total revenue	13,663	9,582
Revenue classification		
Non-exchange revenue	13,561	9,582
Exchange revenue	102	0
Total revenue	13,663	9,582

The comparative information provided in the Actual 2022 column is for the nine month period 04 October 2021 to 30 June 2022.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Note 3 – Expenditure

The table below provides detail regarding key areas of expenditure shown in the Statement of Comprehensive Income and Expenditure.

All in \$000s	Actual Current Year 2023	Actual Prior Year 2022
Employee benefits expenses		
Wages and salaries	6,753	2,991
Contractors	176	85
Councillors and board fees	348	246
Other employee expenses	59	25
Total	7,336	3,347
Hāpaitia Limited Shared Council Services ¹	1,604	927
Administration and other expenses		
Consultancy Costs		
Consultancy costs	309	86
Audit costs ²	50	38
Legal fees	3	0
Total	362	124
People and Culture Costs		
Other staff costs	228	47
Recruitment costs	26	122
Total	254	169
Information Technology costs		
Subscriptions and memberships	94	45
Total	94	45
Office and other costs		
General expenses	296	151
Travel and engagement costs	652	111
Communication and marketing	305	50
Project costs	433	243
Total	1,686	555
Total administration and other expenses	2,396	893
Total Expenditure	11,336	5,167

¹Hāpaitia Limited provides the Workforce Development Councils with shared services including Finance, IT, People and Culture, and Office Management services.

²Audit expenses paid or payable to BDO for the audit of financial statements

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Note 4 – Cash and cash equivalents

Accounting Policy

Cash and cash equivalents include cash on hand, cash in transit, in bank accounts and deposits with an original maturity of no more than three months. They are reported initially and subsequently at amount invested. If there are bank overdrafts these are shown in current liabilities in the Statement of financial position.

There are no restrictions over any of the cash and cash equivalent balances held by Hanga-Aro-Rau. A call account was held with the BNZ with a daily floating interest rate. At 30 June 2023 there was a term deposit with ASB with a maturity date of 8 September 2023 with an interest rate of 5.65% per annum.

All in \$000s	Actual Current Year 2023	Actual Prior Year 2022
Bank deposits	4,113	5,266
Call deposits	516	0
Total	4,629	5,266

Note 5 – Short-term investments

Accounting Policy

Deposits with an original maturity of more than three months and less than one year are recognised as short-term investments.

All in \$000s	Actual Current Year 2023	Actual Prior Year 2022
Short term investments		
Term deposits	2,000	0
Total	2,000	0

The comparative information provided in the Actual 2022 column is for the nine month period 04 October 2021 to 30 June 2022.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Note 6 – Trade receivables and other receivables

Accounting Policy

Receivables are recognised initially at fair value plus directly attributable transaction costs and subsequently at amortised cost, using the effective interest method, less impairment losses.

For trade receivables from exchange transactions impairment losses, are based on an assessment of the lifetime expected credit loss conducted at the end of each reporting period. That is, at each reporting date, the entity is required to assess whether it expects to recover all receivable balances outstanding and, if not, perform an assessment of the amount of loss expected to be suffered over the life of the receivable.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults and adjustments for future economic indicators.

The amount of the loss is measured as the difference between the receivables carrying amount and the present value of estimated future cash flow. The carrying amount of the asset is reduced and the amount of the loss is recognised in surplus or deficit.

In a subsequent period, if the amount of the impairment loss decreases, the reversal of previously recognised impairment loss is recognised in the surplus or deficit.

There are no amounts overdue or to be impaired at the reporting date and no balances were written off to bad debts during the reporting period.

Advances

Advances have been made to Hāpaitia Limited for shared services to be provided. As provided in the Service Contract with Hāpaitia Limited further advances are made on request from Hāpaitia Limited and should the contract be terminated at any time, once all obligations of the Council to Hāpaitia Limited have been met the balance of the advance account would be payable to the Council. The advance to Hāpaitia Limited, an associate, is non-interest bearing (Note 15).

All in \$000s	Actual Current Year 2023	Actual Prior Year 2022
Trade receivables from exchange transactions	38	8
Net trade receivables from exchange transactions	38	8
Other receivables from non-exchange transactions		
GST receivable	130	50
Advances to Hāpaitia Limited	825	443
Total receivables from non-exchange transactions	955	493
Total receivables	993	501
Prepayments and other assets		
Prepayments	61	24
Total Prepayments and other assets	61	24

The comparative information provided in the Actual 2022 column is for the nine month period 04 October 2021 to 30 June 2022.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Note 7 – Associates

Accounting Policy

Associates

An associate is an entity over which Hanga-Aro-Rau has significant influence, but not control, over the financial and operating policies and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the financial statements using the equity method of accounting. Investments in associates are measured at cost, including directly attributable transaction costs, in Hanga-Aro-Rau financial statements.

Hanga-Aro-Rau holds significance over the following entity, which is accounted for using the equity method:

Name	Voting Rights & Ownership interest
Hāpaitia Limited	16.67%

Hāpaitia Limited, shared services provider for the Workforce Development Councils, operates on a break-even basis and hence there are no accumulated reserves and expenses to be carried forward. Each Council was issued with one equal share, unpaid. Therefore no Investment in associate balance is reported in the Council Statement of Financial Position.

Hāpaitia has the same reporting date as Hanga-Aro-Rau, being 30 June. The company is domiciled in New Zealand and is a limited liability company. There are no significant restrictions regarding the distribution of dividends or repayments of loans from Associates. There were no contingent liabilities in relation to the associate, Hāpaitia Limited, as at reporting date. Management determined that Hanga-Aro-Rau had significant influence over Hāpaitia Limited even though it held less than 20 per cent of the voting rights because it has one representative on the board of directors of Hāpaitia Limited and has the same voting rights as the other five shareholders in Hāpaitia Limited, all of whom are Workforce Development Councils.

Note 8 – Trade and other payables

Accounting Policy

Short-term payables are initially recognised at fair value plus directly attributable transaction costs and subsequently at amortised cost, using the effective interest method. Payables are non-interest bearing and are normally settled on the 20th day of following month or earlier per due date.

All in \$000s	Actual Current Year 2023	Actual Prior Year 2022
Trade payables	442	503
Accruals	114	155
Other payables	8	11
Total	564	669

The comparative information provided in the Actual 2022 column is for the nine month period 04 October 2021 to 30 June 2022.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Note 9 – Employee entitlements

Accounting Policy

Short-term employee benefits

Short-term employee benefit liabilities are recognised when there is a legal or constructive obligation to remunerate employees for services provided and that are expected to be settled wholly before 12 months after the reporting date. Short-term employee benefits are measured on an undiscounted basis and expensed in the period in which employment services are provided. These include salaries and wages accrued up to reporting date, annual leave earned but not yet taken at reporting date.

Long-term employee benefits

Long-term employee benefits are those that are due to be settled beyond 12 months after the reporting date in which the employee provides the related service, such as long service leave and retirement gratuities, and have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Annual leave and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of reporting are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans such as KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are recognised as an employee benefit expense in surplus or deficit in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset (prepayment) to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

All in \$000s	Actual Current Year 2023	Actual Prior Year 2022
Current		
Short-term employee benefits	377	290
Current portion of long-term employee benefits	0	0
	377	290
Non-current portion of long-term employee benefits	0	0
Total employee benefit liability	377	290

The comparative information provided in the Actual 2022 column is for the nine month period 04 October 2021 to 30 June 2022.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Note 10 – Revenue received in advance

Accounting Policy

Project funding received has been recognised as income as expenditure directly related to project deliverables has been incurred. The remaining funding has been recognised as revenue in advance and is expected to be released to the Statement of Comprehensive Revenue and Expense as the various project deliverables are completed. Unspent project funding at the conclusion of the project, as provided in the grant funding agreement, will be returned to the funder.

All in \$000s	Actual Current Year 2023	Actual Prior Year 2022
Revenue received in advance		
Project funding	0	417
Total		417
Current portion	0	417
Total revenue received in advance	0	417

Note 11 – Financial instruments

Hanga-Aro-Rau initially recognises financial instruments when Hanga-Aro-Rau becomes a party to the contractual provisions of the instrument. Hanga-Aro-Rau derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by Hanga-Aro-Rau is recognised as a separate asset or liability. Hanga-Aro-Rau derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Financial assets and financial liabilities are also derecognised when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid. Financial

assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, Hanga-Aro-Rau has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Hanga-Aro-Rau classifies financial assets and financial liabilities as amortised cost. Financial instruments are initially measured at fair value plus directly attributable transactions costs. Subsequent measurement is dependent on the classification of the financial instrument and is specifically detailed in the accounting policies provided in notes 5 and 7 and below.

The comparative information provided in the Actual 2022 column is for the nine month period 04 October 2021 to 30 June 2022.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Note 11 – Financial instruments (cont')

i) Classification of financial instruments

The tables below show the carrying amount of Hanga-Aro-Rau financial assets and financial liabilities at the reporting date.

All in \$000s	Notes	Amortised cost		Total
		Financial Assets	Financial Liabilities	
2023				
Subsequently not measured at fair value				
Cash and cash equivalent (assets)	4	4,629	0	4,629
Short-term investments	5	2,000	0	2,000
Receivables	6	863	0	863
Payables	8	0	(564)	(564)
		7,492	(564)	6,928
2022				
Subsequently not measured at fair value				
Cash and cash equivalent (assets)	4	5,266	0	5,266
Receivables	6	451	0	451
Payables	8	0	(669)	(669)
		5,717	(669)	5,048

The comparative information provided in the Actual 2022 column is for the nine month period 04 October 2021 to 30 June 2022.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

ii) Amortised cost financial assets

These assets arise principally from the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within PBE IPSAS 41 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in surplus or deficit. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset.

For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Hanga-Aro-Rau financial assets measured at amortised cost comprise trade receivables from exchange transactions and other receivables and cash and cash equivalents in the statement of financial position. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

iii) Amortised cost financial liabilities

Financial liabilities at amortised cost are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. They are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Hanga-Aro-Rau financial liabilities measured at amortised cost comprise trade and other payables and accruals in the Statement of financial position.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Note 12 – Equity

Accounting Policy

The equity of Hanga-Aro-Rau comprises accumulated revenue and expenses and reserves. Equity is represented by net assets. Hanga-Aro-Rau manages its equity by prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure that it achieves its objectives and purpose, while remaining a going concern.

As provided in the Prudent Reserves policy movements in reserves, both inward and outward, must be approved by the Council. The Prudent Reserves policy provides guidelines for determining the appropriate level of capital, operating and other reserves for the Council to hold each year to maintain its financial health.

All in \$000s	Actual Current Year 2023	Actual Prior Year 2022
Equity		
Accumulated revenue and expenses	217	45
Reserves		
Operating reserve	3,000	3,000
Capital reserve	796	900
Special projects reserve	2,600	400
Te Kāhui Ahumahi reserve	129	70
Total reserves	6,525	4,370
Total equity	6,742	4,415
Accumulated revenue and expenses		
At 1 July	45	0
Surplus/(deficit) for the year before other comprehensive revenue and expenditure	2,327	4,415
Allocation to reserves	2,155	4,370
Balance as at 30 June	217	45

The comparative information provided in the Actual 2022 column is for the nine month period 04 October 2021 to 30 June 2022.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Reserve	All in \$000s	Actual Current Year 2023	Actual Prior Year 2022
Operating reserve			
Established by Council under the Prudent Reserves policy to receive an allocation of operating surplus for the financial year and funds from which could be applied with the approval of the Council for special initiatives or future operating deficits.	Balance at 1 July	3,000	0
	Allocation from accumulated revenue and expense	0	3,000
	Balance at 30 June	3,000	3,000
The Capital Reserve			
Established by Council under the Prudent Reserves policy to receive an allocation of any operating surplus for the financial year which could be applied for the purchase of Capital Assets in the future with the approval of the Council. The reserve would also be applied to cover the annual cost of leasing assets purchased by Hāpaitia Limited upon the establishment of the Workforce Development Councils.	Balance at 1 July	900	0
	Allocation from accumulated revenue and expense	(104)	900
	Balance at 30 June	796	900
The Special Projects Reserve			
Established by Council under the Prudent Reserves policy to receive an allocation of operating surplus for the financial year which could be applied to fund future special projects and initiatives with the approval of the Council.	Balance at 1 July	400	0
	Allocation from accumulated revenue and expense	2,200	400
	Balance as at 30 June	2,600	400
The Te Kāhui Ahumahi Reserve			
Established by Council under the Prudent Reserves policy to receive an allocation of operating surplus relating to funding received for budgeted Te Kāhui Ahumahi expenditure that was unspent during the financial year that may be called upon for future mahi by Te Kāhui Ahumahi and approved for use by the Council at a future date.	Balance at 1 July	70	0
	Allocation from accumulated revenue and expense	59	70
	Balance at 30 June	129	70

The comparative information provided in the Actual 2022 column is for the nine month period 04 October 2021 to 30 June 2022.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Note 13 – Major budget variations

Explanations for major statement of comprehensive revenue and expense budget variations from the Hanga-Aro-Rau budget are detailed below in this table:

All in \$000s	Actual Current Year 2023	Budget Current Year 2023	Variance
Revenue variances			
Government funding	13,114	13,118	(4)
Project grants funding	447	252	195
Interest revenue	102	0	102
Expenditure variances			
People related expenses	7,336	8,821	(1,485)
Shared services	1,604	1,743	(139)
Administration and other expenses	2,396	2,676	(280)
Total comprehensive revenue and expense	2,327	130	2,197

A small variance on Government funding arose from the rounding of the funding package from TEC. The variance in project grants funding arose from the timing of actual project expenditure and subsequent income recognition between last financial year and this financial year. Investment of surplus cash flow in term deposits resulted in interest income that was not budgeted.

resourcing is provided both now and in the future. Shared services expenditure was lower than budget primarily due to savings in budgeted collaborative projects and property costs that were offset by increased costs of contractors. Administration and other expenses were less than budget due to savings in market research, stakeholder support and reduced engagement costs. In addition the allowance for contingency expenses were not used.

There were significant savings in employee expenses due to decisions regarding the timing of recruitment and ensuring that appropriate

Explanations for major statement of financial position budget variations from the 2023 Hanga-Aro-Rau budget are detailed below in this table:

All in \$000s	Actual Current Year 2023	Budget Current Year 2023	Variance
Statement of financial position			
Current assets	7,683	4,060	3,623
Current liabilities	941	411	530
Equity	6,742	3,649	3,093

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Current assets are higher than budget due to higher bank balances resulting from a higher operating surplus. Accounts receivable were higher than budget due to an increase in GST receivable. In addition Advances to Hāpaitia Ltd were higher than budgeted due to a change in the use of Advance accounts with monthly invoice payments no longer being offset through the Advance accounts. These are paid under normal supply arrangements and the Advance remains static for the financial year to cover cashflow requirements for operating and capital expenditure for Hāpaitia Ltd.

The Advance requirements are reviewed and adjusted annually in July of each year. Prepayments were not included in the budgeted balance sheet.

Current liabilities are higher than budget due higher than expected trade payables balances as a result of timing of purchases. Also employee benefits were not included in the budgeted balance sheet.

Equity balances are higher than budgeted largely due to the higher than expected surplus which has been transferred to various equity reserves for application in future years to special projects.

Explanations for major statement of cash flow budget variations from the 2023 Hanga-Aro-Rau budget are detailed below in this table:

All in \$000s	Actual Current Year 2023	Budget Current Year 2023	Variance
Statement of cash flows			
Cash flow from operating activities	1,735	(101)	1,836
Cash flows from investing activities	(2,000)	0	(2,000)
Cash flows from financing activities	(372)	(100)	(272)
Net (decrease)/increase in cash and cash equivalents	(637)	(201)	(436)
Cash and cash equivalents at beginning of the year	5,266	3,456	1,810
Total cash and cash equivalents at end of the year	4,629	3,255	1,374

Cashflows from operating activities were higher primarily due to savings in payroll expenditure and other operating expenditure which resulted in a higher operating surplus and reduced cash

requirements. Cash requirements for Hāpaitia advances were slightly higher than budgeted which was largely due to the change in the methodology for the application of advances.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Note 14 – Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Leases that are not finance leases are classified as operating leases. Operating leases are not recognised in the Hanga-Aro-Rau Statement of financial position.

Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease.

Hanga-Aro-Rau has entered leasing arrangements with its associate Hāpaitia Limited for computer and office equipment as part of the service contract between both parties (Note 15).

Hanga-Aro-Rau has a commitment under the service contract with Hāpaitia Limited to meet its computer and office equipment lease and continuing operating cost commitments for the life of the assets and lease commitments made by Hāpaitia Limited.

All operating leases have been signed through Hāpaitia Limited and costs are recharged to the Workforce Development Councils. Hanga-Aro-Rau has no other operating leases.

Note 15 – Commitments and contingencies

Accounting Policy

Commitments are future expenses and liabilities to be incurred, on contracts that have been entered into at reporting date.

Commitments

Hanga-Aro-Rau has a commitment under the service contract with Hāpaitia Limited to meet its computer and office equipment lease obligations and continuing operating cost commitments for the life of the assets and lease commitments made by Hāpaitia Limited during the term of the contract.

The annual operating lease value for the computer and office equipment is variable depending on the quantum of assets leased, with an approximate annual lease cost of \$111,200 (2022: \$93,700). The lease commitment continues until either party terminates the contractual arrangement.

Hāpaitia Limited has ongoing contractual commitments including operating leases. Each Workforce Development Council is required under the terms of the service contract to meet those commitments for the life of any contracts executed during the period of the service contract. The value of this commitment for Hanga-Aro-Rau at 30 June 2023 was \$266,607 (2022: \$415,779).

Contingent Liabilities

The funding from the Tertiary Education Commission sourced from under the Workforce Development Council Fund ("Fund") has been assessed as being without conditions and recognised as revenue when received.

There are some circumstances when some or all of this funding could be required to be repaid (including receiving funding that Hanga-Aro-Rau is not actually entitled to) but the triggers for this contingent liability are very unlikely given the governance and management oversight processes in place.

The quantity of any contingent liability is difficult to quantify as even if events triggered a liability there is extreme variability in what this liability would be.

Capital Commitments

There are no capital commitments at reporting date (2022: Nil).

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Note 16 – Related party transactions and key management personnel

Accounting Policy

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; and
- on terms and conditions no more or less favourable than those that are reasonable to expect that Hanga-Aro-Rau would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with normal operating arrangements and undertaken on the normal terms and conditions for such transactions.

(ii) Key management personnel remuneration

Hanga-Aro-Rau classifies its key management personnel into one of two classes:

- Members of the governing body
- Senior executive officers, responsible for reporting to the governing body

Members of the governing body are paid annual fees in accordance with the Cabinet Office Circular CO-19 Revised Fees

Framework for members appointed to bodies in which the Crown has an interest, dated 29 January 2020. Senior executive officers are employed as employees of Hanga-Aro-Rau on normal employment terms.

The aggregate level of remuneration paid and number of persons (measured in 'people' for Members of the governing body, and 'full-time equivalents' (FTE's) for Senior executive officers in each class of key management personnel is presented below:

All in \$000s (except number of members)	Actual Current Year 2023	Prior Year
Key management personnel related party transactions		
Council members		
Number of Council members (FTE) ^{1,2}	0.24	0.32
Remuneration	328	239
Senior executive officers		
Full-time equivalent members (FTE) ³	6.8	3.6
Remuneration	1,488	764
Total full-time equivalent members	7.04	3.92
Total key management personnel remuneration	1,816	1,003

The comparative information provided in the Actual 2022 column is for the nine month period 04 October 2021 to 30 June 2022.

¹There were nine members of council who served throughout the reporting period. In addition there was one other member who served nine months. (2022: There were eight members of council throughout the period of 4 October 2021 to 30 June 2022. Seven served for the full period, one resigned 20 May 2022.)

²2022: Carla Seymour-Mansell resigned from the Council on 20 May 2022 and has not been included in the number of Councillors at 30 June 2022. Remuneration paid during the year has been included in the total remuneration paid to Councillors.

³There were seven members of the senior management team considered to be key management personnel for the full reporting period with one other member resigning in April 2023. (2022: There were six members of the senior management team considered to be key management personnel. These members were employed throughout the period 4 October 2021 to 30 June 2022 resulting in a full time equivalent figure of 3.6.)

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Note 16 – Related party transactions and key management personnel (cont')

(iii) Other related parties

During the reporting period Hanga-Aro-Rau transacted with the following related parties:

2023

Related Party	Goods/Services Provided	Transaction Value 2023 (\$'000) Paid	Transaction Value 2023 (\$'000) Received	Accounts Payable (000's)	Accounts Receivable (000's)	Advances made (000's)
Hāpaitia Ltd	Shared Corporate Services including Finance, IT, People & Culture, and Office Management)	3,216	9	225	0	825
Muka Tangata	Shared project and operational costs recharged	13	22	0	3	0
Ringa Hora	Shared project and operational costs recharged	0	2	0	0	0
Toi Mai	Shared project and operational costs recharged	0	1	0	0	0
Toitū te Waiora	Shared project and operational costs recharged	28	1	0	0	0
Waihangā Ara Rau	Shared project and operational costs recharged	20	2	0	0	0
Retail Meat NZ Inc ¹	Subscriptions & Memberships, Conference Registration	1	0	0	0	0
Jonathan Tautari ²	Advisory Services/ Consultancy	7	0	0	0	0
Total		3,285	37	225	3	825

¹ Related party due to senior management team member governance relationship

² Related party due to senior management team member familial relationship

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

2022

Related Party	Goods/Services Provided	Transaction Value 2022 (\$'000) Paid	Transaction Value 2022 (\$'000) Received	Accounts Payable (000's)	Accounts Receivable (000's)	Advances made (000's)
Hāpaitia Ltd	Shared Corporate Services including Finance, IT, People & Culture, and Office Management)	927	0	290	7	443
Competenz	Payment received for leave balances from staff transferring to WDC	46	0	0	0	0
Te Pūkenga Work Based Learning	Payment received for leave balances from staff transferring to WDC	4	0	0	0	0
Total		977	0	290	7	443

Note 17 – Events after reporting date

There have been no events, since reporting date, that have led to material effect on the interpretation of the financial statements presented (2022: Nil).

The comparative information provided in the Actual 2022 column is for the nine month period 04 October 2021 to 30 June 2022.

Notes to the Financial Statements

Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council for the year ended 30 June 2023

Supplementary information

Remuneration - employee

The Council has employees, not including Councillors, who received total remuneration greater than \$100,000 for the year ended 30 June 2023. The comparative period is for the 9 month period ending 30 June 2022.

The employee counts are shown in the table below:

Total remuneration paid or payable	Number of Employees	
	2023	2022
\$100,000 - \$109,999	4	1
\$110,000 - \$119,999	11	1
\$120,000 - \$129,999	2	1
\$130,000 - \$139,999	5	0
\$140,000 - \$149,999	1	1
\$150,000 - \$159,999	2	0
\$160,000 - \$169,999	2	1
\$170,000 - \$179,999	0	0
\$180,000 - \$189,999	0	0
\$190,000 - \$199,999	2	0
\$200,000 - \$209,999	0	0
\$210,000 - \$219,999	0	0
\$220,000 - \$229,999	1	1
\$230,000 - \$239,999	0	0
\$240,000 - \$249,999	0	0
\$250,000 - \$259,999	0	0
\$260,000 - \$269,999	1	0
\$270,000 - \$279,999	0	0
\$280,000 - \$289,999	0	0
\$290,000 - \$299,999	0	0
\$300,000 - \$309,999	0	0
\$310,000 - \$319,999	0	0
\$320,000 - \$329,999	1	0

Cessation payments

There were no payments of compensation or other benefits paid or payable to persons who ceased to be members, committee members or employees during the reporting period ended 30 June 2023 (2022: Nil).

The comparative information provided in the Actual 2022 column is for the nine month period 04 October 2021 to 30 June 2022.



**Mā wai te huarahi
e hora? Mā ngā
ahumahi!**



Who will pave the pathway
forward? Industry will!



HANGA-ARO-RAU
**Manufacturing, Engineering
and Logistics**
Workforce Development Council